THE Freeman

IDEAS ON LIBERTY

OCTOBER 1966

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THE FREEMAN

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THE Freeman

OCTOBER 1966 Vol. 16, No. 10

LEONARD E. READ *President,* Foundation for Economic Education

PAUL L. POIROT *Managing Editor*

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SET MY PEOPLE FREE

Unless a man is already free within himself,
any attempt to give him "freedom" by law
may only succeed in enslaving
everyone concerned.

EDWARD Y. BREESE

IN THE DECADE to come we are going to have the chance to see whether, in fact, "freedom" can be "given" to a large segment of our population by laws carefully designed for that express purpose and backed by the full authority of Federal power. I refer, of course, to the so-called Civil Rights legislation and the people it is planned to assist.

Certainly the laws already passed, and those projected for the near future, remove former barriers and open the legal doors to the free exercise of various and sundry "rights" for all citizens.

The question then becomes one of whether the new legal status of these people does actually constitute freedom. Is freedom really a matter of legal status? Does it depend upon laws and courts? Is it something that can be conferred or granted? Or is this only an illusion held by the civil rights people and their supporters?

The dictionary (Webster's *New World Dictionary of the American Language*) is not much help here. It defines a freeman as (1) a person not in slavery and (2) a citizen.

If the first definition offered could stand alone, then there would be little doubt as to what is taking place. Laws are being passed which specifically spell out a status "not in slavery" for all classes of our

Mr. Breese is former chairman of the Department of Humanities, School of Engineering, at Embry-Riddle Aeronautical Institute in Florida.

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population. Freedom to move legally within the framework of society is being offered to all.

The Qualities of Citizenship

But how about the second definition of the freeman? Is it possible to make a citizen or does the individual have to possess or earn the innate capacity for true citizenship?

If it is argued that freedom is entirely a matter of legal status, then it must further be assumed that all men are born equal in all respects except for legal position. This is a manifest absurdity and is only professed today by those who feel they have no other claim to the respect of their fellows.

Quite the contrary. A freeman must be, in the fullest sense, a citizen of his society. He must be psychologically as well as legally free. He must be able and willing to assume responsibility, to make intelligent decisions, to earn and hold his place as an equal among his peers.

Men and women who are free in this sense do not depend upon legal status for their freedom. Indeed it is impossible to make them anything else but free by even the most stringent of laws and the most efficient of police states. History is full of examples which bear out this point from the rebel followers of Spartacus to the black Marroons of Jamaica to the "Underground" fighters of World War II.

The very presence of black slaves in the New World was primarily due to the fact that the native Indians, already on the ground and militarily helpless before Spaniard and Englishman, either could not or would not be enslaved in any numbers. In those areas where the Indians could be brought to labor on an *estancia* or *hacienda* system there was never any major importation of blacks, but even here the native was held in peonage rather than chattel slavery.

Freedom Lies Within

Through the whole record of mankind it is the freemen in the sense of the second definition, "those who are free within," who have been responsible for the growth of democratic institutions and of free enterprise and freedom of intellectual activity. These were the people who wrote the American Constitution and who sought to create legal freedom of opportunity for all.

But they did not at any time fall into the delusion that a man could be made free by law unless he had within himself the inherent capacity to think and act as a free man.

History is also filled with ex-

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amples of individuals and groups who have voluntarily surrendered the rights and privileges of a legally free status in return for other values which seemed more important to them at the time. Chief among these values has always been "security."

The ancient world is full of examples, perhaps the most spectacular being the tendency of small freeholders to attach themselves to the latifundia at the time of the decline of the West Roman Empire. Even in their day this sort of movement was not new.

There must have been much the same urge which consolidated a formerly village and nomad population under the absolute rule of priest and priest-king when Ur of the Chaldees was still a new foundation.

In our own day the millions who flocked to don black or brown shirts or to wave the red flag in the name of monolithic European states were psychologically and emotionally motivated to follow a similar path.

This is also true, to only a slightly lesser degree, of our friends who enter governmental or corporate civil service hierarchies because of what they feel to be a benevolent security factor or who place their emotional dependence upon an authoritarian-based "great society."

The Fallacy of Social Security

The fallacy needs no exposition to the intelligent reader, yet is far more widespread than many may realize. When the innate conservatism of thinking of the ordinary man is understood, the prevalence of the attitude is more easily grasped.

After all, the iron shield to which the security seeker turned in A.D. 450 – 650 *was* reasonably effective in securing him protection, just as the mud brick walls of the citadel at Babylon had been. The price for protection was higher than a psychologically free man would want to pay, but at least it bought a considerable measure of the desired commodity.

The serf and the master were both human and recognized a mutual obligation. A law, on the other hand, is only a legal entity which neither feels nor acts of itself. The price of liberty, under law, must still include eternal vigilance.

There are, then, two kinds of freemen, just as the dictionary recognizes. There are those who are legally not slaves, and there are those others who are free in mind and spirit and in the willingness to act in all ways as free men. It is the latter group to which humanity has always had to look for true leadership.

Freedom is within the individual and a free society must be

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composed of men who are psychologically free.

One of the greatest questions of our day, then, must be the extent to which the masses of people (in the world as well as the American society) who have recently been "given" a status of legal, or nonslave, freedom are capable of assuming the rights of truly free citizens and the obligations which accompany these rights.

If a majority of these newly freed citizens can stand up as genuinely free men, or if they can be inspired, trained, or encouraged to do so, then there is little cause for concern.

If they cannot or will not do so (and the second is the greater danger) then there are, indeed, dark and stormy days to come.

Should our society choose to place its dependence upon a vaguely legalized "freedom," it will tend more and more to the creation of the ultimate in monolithic state Authority. Neither the virtues nor the abilities of the free man will be wanted, no matter how much they will be needed.

In this case to what extent will the dependent prove unable or unwilling to tolerate the presence of the free spirit and the independent mind? To what extent will the flight to security tend to hold back what should otherwise have been the rising tide of the future?

A Qualified Electorate

It is not enough, or even of any particular value, to insure free exercise of the ballot to all residents within a given state or nation. The really important thing is the creation of *qualified* voters rather than just voters per se.

This is the true responsibility which rests today upon the shoulders of our American civil rights people and their friends and upon the shoulders of the "one man-one vote" advocates throughout the world. If they are to really help their people, it must be by leading them to "citizenship" in the fullest and best sense of the word.

The real revolution must be within the new freemen rather than in the laws of the land. They must learn to seek responsibility instead of license; service instead of privilege. They must learn before it is too late that a ballot carelessly or passionately cast can destroy them as well as the society of which they are a part.

This is a truth which applies equally to the new nations of Africa and Asia and the old counties in the black belt of our own South.

Unfortunately, many of the "leaders" currently riding the crest of the tide of change show little observable sign of realization of the tremendous responsibility

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which rests upon their shoulders. As in all "revolutions," the voices of moderation and of liberalism are already being drowned out by the increasingly passionate cries of extremists. The voices cry for political organization, for demands upon the people and the public purse, and for more and more extreme legislation. A few are already beginning to cry for blood.

If this trend is allowed to continue, history teaches that it can only result in reaction, counter-revolution, and repression. What little has been gained will be lost to all.

Neither do the people in authority at the Federal level show any present indication of providing constructive leadership and needed counseling to the "new freemen." Schools are forcibly desegregated, but where are the courses in true citizenship? Federal marshals, attorneys, registrars, and even troops are sent into the troubled areas, but these cannot make citizens; they can only create voters.

If the job of assisting these people to attain true citizenship is to be done at all, it will have to be as a result of the efforts of individuals who recognize the need and take personal action to encourage and promote a solution.

A Job for Individuals

The emergency – for it is a national emergency – should be brought to the attention of educators and job counselors at the local and state level. Civic groups and citizens associations should be alerted by their members. A concerted effort should be made to demand constructive leadership from political authority at all levels.

The situation calls for action as well as consideration by the present freemen of our nation and our society. This will, as it always must, get results. There is no greater power than the power of the aroused and vocal individual.

Above all, we must have faith in the long-run power and triumph of freedom and of the free man. We must have faith in the capacity of large numbers of the "new freemen" to become new citizens, and we must actively seek to aid in this growth. It cannot be left to chance or to the leadership of the political opportunist or the economic exploiter. ◈

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THE COST OF LIVING

PAUL L. POIROT

THE HIGH and rising cost of living is of such grave concern to so many people that further government action is being considered to alleviate the situation. Scarcely a day passes without some mayor or governor denouncing the latest advance in the price of bread or milk or a city council or state legislature launching an investigation of marketing practices, rental rates, commuter fares, or other complaints of consumers. But the problem obviously is national in scope, and increasingly the call is for Federal intervention and relief. Nor has Washington been hesitant in answering that call.

There is a long history of Federal regulation and control of business practices through such offices as the Federal Trade Commission, Interstate Commerce Commission, Federal Communications Commission, Federal Power Commission, Civil Aeronautics Board, Pure Food and Drug Administration, Department of Agriculture, Department of Health, Education, and Welfare, Department of Housing and Urban Renewal, and many others. Congressmen and their committees are continuously probing for unethical business practices that might prove detrimental to consumers. The President has a Committee on Consumer Interests, and there is a National Commission on Food Marketing, among others.

With so much governmental activity for their protection, American consumers might be expected to be grateful and let it go at that. But, not so. Housewives continue to complain about the soaring cost of living and their inability to make ends meet when meat is priced at more than a dollar a pound. Meanwhile, Department of

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Agriculture statistics show that "the farmer's share of the consumer's dollar" persists in its long downward trend, despite the billions of Federal aid pumped annually into various compartments of the farm price support program. Since food processors, packagers, and distributors stand between producers and consumers, they are bound to be prime suspects in this situation. And the government is determined to discover and discourage all business practices that may be accountable for the high cost of living.

Under such intensive search and scrutiny, some sharp operators and some unethical practices doubtless will be found. Even the most ardent advocates of competitive private enterprise would expect some participants to foolishly try to pursue their supposed self-interest to the detriment of others. But the Federal government never will find the real culprit behind rising living costs. Indeed, no power structure should be expected to recognize and correct its own abuse of power. The Federal government probably cannot see, and certainly could never admit, that its own actions are causing the high prices consumers deplore. If such a situation is to be corrected, it must be done by individual citizens, one by one, as each comes to realize that governmental compulsion is not an effective substitute for the market price system of bringing supply and demand into balance in the real world of scarce resources and insatiable human wants.

The Government as Consumer

In the market economy, the consumer is the ultimate decision-maker. His purchases determine what may be profitably produced and sold. The market, as such, is neutral; market prices may serve to guide but never to compel a consumer to choose one commodity or service above any other. Nor does the market distinguish among consumers or discriminate against one as compared to another. As far as the market is concerned, the government is just another consumer bidding for the available supplies of scarce goods and services.

The government, of course, would be expected to police the market to see that honesty prevails among buyers and sellers and that fraud and violence are curbed. A supplier's package ought to contain what his label says it does. And a buyer's money, or whatever he brings in exchange, ought not to be counterfeit. The apprehension and punishment of counterfeiters presumably is a governmental duty.

In the customary market trans-

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action, each party offers something the other party wants. A buyer also is a seller, and vice versa. That a buyer offers money customarily signifies that he has earned it and saved it from a prior market transaction. Sellers accept money in faith that it may be used to purchase some other useful item in turn. But a counterfeiter creates money fraudulently without bringing any useful goods or services to the market. If he can pass the counterfeit money undetected, he withdraws from the market useful goods and services but leaves in the market an extra supply of money. This means that more money is chasing fewer goods and services. The level of prices may be expected to rise in such a situation.

Fluctuations and Trends

Now, a crop failure or disaster of one kind or another may result in the temporary scarcity and higher prices of certain marketable items. Or, more or less sudden changes in consumer preferences may cause some prices to fall, or perhaps to rise, for a time. Prices of individual items may be expected to fluctuate to reflect changing supply and demand in an open market. But if the cost of living soars across the board for nearly all items, and continues to rise month after month and year after year, the great probability is that a master money maker (inflater) has entered the market on a major scale. And this is precisely what has happened to the cost of living in the United States in our time.

So, it is important that counterfeiters be apprehended and kept out of the market; and this task ordinarily is delegated to government. But the rub is that the Federal government itself can be and has been the great inflater, withdrawing scarce goods and services from the marketplace in exchange for irresponsible promises to pay.

This is not to say that all government purchases are inflationary. To the extent that the government withdraws money from taxpayers or bond buyers who have earned it in the market, the government has more money to spend, other buyers have less, and the total quantity of money in the market remains substantially the same as before the taxes were collected or the money borrowed from bondholders.

But the Federal government also obtains purchase orders on the market by issuing bonds and selling them through the Federal Reserve banking system, the banks in turn using those bonds as legal reserves and thereby adding enormously to the total supply of money in the market. And this

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deficit financing through a fractional reserve central banking system is the process by which the Federal government acts as the national inflater of the currency.

The prices of pork and beef and red meat generally are high in the United States today, not because farmers are deliberately withholding supplies or packers taking extra margins or distributors and retailers gouging consumers, but because the government as the leading consumer has been buying not only meat but all kinds of other goods and services, withdrawing them from the market and pumping into the economy billions upon billions of fiat money which the market has no way of distinguishing from the dollars of its honest customers.

Fiat Money Inflation

Everything the Federal government spends in the so-called "public sector" – public housing and urban renewal, Federal aid to education, farm support programs, special privilege handouts to striking unioneers, foreign aid, military expenditures, moon shots, and on *ad infinitum* – every dollar government spends in excess of what it currently collects from taxpayers and bondholders other than banks comprises fiat money the presence of which is reflected in the so-called "private sector," showing in the family budget as high priced bread and meat and a rising cost of living

When the government buys guns with fiat money, that money flows through the market and eventually into the hands of housewives who use it to bid up the prices of butter and of other consumer goods that go to make up the cost of living.

If the housewives of Podunk want the price of food in local grocery stores to decline, then they'll have to vote down Podunk's proposed new Post Office, Podunk's Federal Urban Renewal and Public Housing projects, Podunk's share of Federal aid for education, and every other Washington promise of something for nothing. The Federal government has nothing stored away from which these handouts may be painlessly plucked. They can only be handed out insofar as they are currently withdrawn from the market. And every such withdrawal by inflation – by consumers who put back nothing useful in return—is bound to show up in the rising price of bread and other necessities, in the higher cost of living. ◈

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THE CASE OF THE Free Rider

PETER A. FARRELL

THOSE among us who persistently support economic arrangements of a compulsory nature and who, ironically enough, are called liberals, have rallied stoutly to the proposition that no worker should be allowed to withhold support from a union favored by the majority. The worker who resists such a union exposes himself to heavy attack. One clergyman, for instance, refers to the activities of the "free rider" (the nonunion man on a unionized job, in case you haven't heard) as being "inequitable, unjust, and *immoral*"[1] (emphasis added). A college ethics text describes[2] the nonunion man on a union job as "a parasite" who "share(s) in the common good without contributing to that good." According to this learned view it would seem that a worker earns his way in society not by actually working but rather by paying his union dues.

The argument by which the independent worker has been transformed into a social leech has been exposed and refuted time and again but, like the "machines throw men out of work" fallacy, it refuses to die.

In the first place, union dues are used for many purposes other than the support of collective bargaining which allegedly makes possible the good things which workers receive. They are used to support political candidates and programs, and, as has been abundantly documented by various official inquiries, they are sometimes tapped by unscrupulous union

[1] Jerome L. Toner, O.S.B. in *Right-to-Work Laws and the Common Good*, a pamphlet by the United Steelworkers of America, p. 10.

[2] Herbert Johnson, *Business Ethics* (New York: Pitman Publishing Corp., 1956) pp. 262-63.

Mr. Farrell is Instructor of business and economics at Marist College in Poughkeepsie, New York.

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leaders for their own personal use.

That a worker should be forced to contribute funds to political causes which he actually opposes seems illiberal and undemocratic to say the least. Nor can union participation in American politics be written off as insignificant. It is indeed a crucial factor in many elections. That a worker impairs the common good when he refuses to subsidize the various undesirables who have gained power in the labor union movement is ridiculous on the face of it. It is well to recall in this regard that the Teamsters Union with 1.5 million members is the largest single union in the United States.

Those favoring the union line in the compulsory union controversy usually imply that the union is forced to "service" nonunion workers by representing them at the bargaining table. But as one critic of compulsory unionism has aptly replied:

> What is not told is that "exclusive representation" (by which a union bargains for all employees in the bargaining unit and not just its own members) was fought for strenuously by the unions on the grounds that if they did not bargain for nonunion workers, the employer could use favoritism toward the nonunion workers as a means of destroying the union . . . therefore it should be pointed out that nonunion workers in an open shop today are not free riders but forced riders since under the Taft-Hartley Act they lose their right to bargain with their employer and are forced to bargain through the union.[3]

The issue is thus in clearer focus. The union chieftains fought for the elimination of the right of nonunion workers to contract for their own wages. Having achieved this, they and their intellectual champions have proceeded to castigate the nonunion men for not supporting the very organizations which have caused them to lose an important right. The last thing the unions would want would be a situation where they no longer had the extraordinary power to bargain for all workers within the bargaining unit.

Limits to Union Achievements

As decisive as these points are in deflating the free rider indictment, more basic factors deserve consideration. The free rider charge, after all, is based on the assumption that unions do in fact produce higher wages for workers. Now, economic theorists are in general agreement that through concerted action (refusing to work

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[3] Edward A. Keller, *The Case for Right-to-Work Laws*. (Chicago: The Heritage Foundation, 1956), p. 42.

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at less than a prescribed wage), resource suppliers (workers) can force the price (wage) that they receive for their resource (an hour's labor), above the level that would otherwise prevail. All of this, of course, is exactly what a union attempts to accomplish.

However, the higher price for labor bears with it unpleasant side effects. Most notably, the substitution effect would set in at two possible levels. The employer, for one, would substitute those alternative resources (automated machines, for example) which under the new conditions are cheaper than manpower. Consumers of the finished product, on the other hand, would be encouraged to substitute whatever finished products the market provided at a now cheaper price. The greater the possibility of substitution at the two levels, the more drastic would be the reduction in the use of the resource following an increase in its price, or in our case, the greater would be the number of workers laid off.

With this analysis in mind it is not surprising to learn that widely noted statistical studies have shown that a great many unions are ineffective in raising wages.[4] The union leaders in question recognize that higher wages would result in widespread and immediate unemployment. They are forced, therefore, to accept what is offered. Such unions seldom make the headlines and their presence, therefore, is likely to go unnoticed. Clearly, the free rider charge is meaningless in this situation based as it is on the assumption that the union does produce results.

Sometimes, however, substitution of other resources by the employer or other finished goods by the consumer is unfeasible in the immediate future. Here, the union leader is likely to make bold demands for wage increases. If the demands are not met, a strike will be called and efforts made to insure that operations are suspended for the duration of the strike. If the company voluntarily shuts down, the strike likely will proceed on an uneventful note; but if it attempts to continue operations (which, of course, it has every right to do) union-incited violence becomes a likely result. Mass picket lines will be set up to isolate the plant from raw materials and willing workers. Cars entering the plant will be overturned, while workers attempting to enter by foot will be punched and shoved and subjected to the rawest kind of verbal abuse. Acts,

[4] Albert E. Rees of the University of Chicago estimates that one-third of U.S. unions have had no effect on wages. See *Wage Inflation* (National Industrial Conference Board, New York, 1957) pp. 27-28.

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which in any other circumstance would result in prompt arrest, will curiously enough be overlooked by local authorities.

In May of this year when a taxi strike developed in New York City, eight drivers who defied the union by continuing to operate had their windshields smashed.[5] Another had sugar placed in the gas tank of his cab. The mayor of the city reportedly considered this situation ". . . normal as can be with a taxi strike."[6] No arrests were reported. In a 1965 taxi strike, several uncooperative drivers found their cabs gutted by fire and numerous others were terrorized by roving goon squads.[7] These episodes, unfortunately, are only recent examples of a pattern that continually repeats itself wherever unions are powerful.[8]

If, as often happens, the company capitulates to these tactics and grants the higher wage demanded, the union will appear to have won a smashing victory for the workingman. The nonunion man will be ridiculed more than ever for receiving benefits at the hands of the union without paying his share of the cost of maintaining the union.

No Lack of Substitutes

However, one can think of numerous reasons why the free rider charge is still lacking in validity. For one thing, substitution is still likely to occur after market participants have had time to adjust to the new situation. New substitute resources will be developed by producers. Substitute products previously considered too expensive will be marketed by competitors. Importation of foreign goods will be increased, and at the same time, research and development may bring forth entirely new discoveries making the original product obsolete (just as government price supports have stimulated the development of synthetic fabrics injuring the cotton and wool industries which the price supports were intended to help). In all these ways and more, a free market can adjust to an increase in the cost of labor induced by a union.

A worker lacking seniority might well realize that he would be among the first to be laid off. In resisting the union, therefore, rather than taking a "free ride," he would be protecting his very livelihood. If he is obliged to sup-

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[5] New York *Daily News*, May 13, 1966, p. 3.

[6] *Ibid.*

[7] New York *Herald Tribune*, July 1, 1965, p. 1.

[8] For a comprehensive analysis of union tactics see Professor Sylvester Petro's *Power Unlimited: The Corruption of Union Leadership* (New York: The Ronald Press).

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port the union, he would be forced to subsidize the very organization that is doing him in.[9] Among socialists generally there is a presumption that the interests of all workers are identical, but, as this instance shows, that presumption is wrong.

For another thing, the worker may justifiably abhor the violent and coercive tactics that the union threatens or actually invokes. The end, most people would agree, does not justify immoral means.

Finally, the nonunion man may realize that any wage increase he actually receives through the union will be paid for: (1) by a decrease in the real income of consumers, who, for the most part, are workers themselves, and (2) by a loss of earnings by those workers who are forced into less desirable jobs. His gain will be their loss. It is just possible that he may prefer not to join in the exploitation of other workers. That a union, rather than the greedy capitalist of socialist lore, is the real exploiter of the working man is, of course, a substantial irony in itself. The union may hurt the employer in the short run but not indefinitely. This is true because any plant may be closed down when profit margins shrink below acceptable levels. Capital may then be re-invested where more profitable opportunities are thought to exist.

All of this points to the conclusion which numerous statistical studies have substantiated, that unions have not actually enhanced the workingman's overall share of national income.[10] Rather, through their monopolizing tactics, they have increased the wages of a relatively small group of workers while causing many more workers to suffer a reduction in real wages. If anyone emerges from this situation as a "free rider," it is the union itself and those who support it rather than the worker who resists it.

We are now in a position to appreciate David McCord Wright's advice:

> . . . that we deflate our absurdly over-expanded idea of the net beneficence of unions . . . and see them for what they are – often reactionary agencies of personal privilege.[11]

[9] For an excellent analysis of this situation see Professor Philip D. Bradley's study, *Involuntary Participation in Unionism* (Washington: The American Enterprise Association, 1958).

[10] In Philip D. Bradley's study noted in the above footnote, the conclusions of seventeen relevant studies are summarized as follows:

1. Unions have not raised the general level of real wages in the United States.
2. Unions have not increased labor's share in the national income.

[11] David McCord Wright, "The Canadian Compulsory Conciliation Laws and the General Problem of Union Power," *Notre Dame Lawyer*, XXV, No. 5 (1960), 651.

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The Supremacy of the Market

LUDWIG VON MISES

IN THE MARKET ECONOMY the consumers are supreme. Their buying and their abstention from buying ultimately determines what the entrepreneurs produce and in what quantity and quality. It determines directly the prices of the consumers' goods and indirectly the prices of all producers' goods, viz., labor and material factors of production. It determines the emergence of profits and losses and the formation of the rate of interest. It determines every individual's income. The focal point of the market economy is the market, i.e., the process of the formation of commodity prices, wage rates and interest rates and their derivatives, profits and losses. It makes all men in their capacity as producers responsible to the consumers. This dependence is direct with entrepreneurs, capitalists, farmers and professional men, and indirect with people working for salaries and wages. The market adjusts the efforts of all those engaged in supplying the needs of the consumers to the wishes of those for whom they produce, the consumers. It subjects production to consumption.

The market is a democracy in which every penny gives a right to vote. It is true that the various individuals have not the same power to vote. The richer man casts more ballots than the poorer fellow. But to be rich and to earn a higher income is, in the market economy, already the outcome of a previous election. The only means to acquire wealth and to preserve

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This article is from *Planned Chaos*, written as an Epilogue for a Spanish edition of *Socialism*, and first published as a book in English by the Foundation for Economic Education in 1947.

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it, in a market economy not adulterated by government-made privileges and restrictions, is to serve the consumers in the best and cheapest way. Capitalists and landowners who fail in this regard suffer losses. If they do not change their procedure, they lose their wealth and become poor. It is the consumers who make poor people rich and rich people poor. It is the consumers who fix the wages of a movie star and an opera singer at a higher level than those of a welder or an accountant.

Every individual is free to disagree with the outcome of an election campaign or of the market process. But in a democracy he has no other means to alter things than persuasion. If a man were to say: "I do not like the mayor elected by majority vote; therefore I ask the government to replace him by the man I prefer," one would hardly call him a democrat. But if the same claims are raised with regard to the market, most people are too dull to discover the dictatorial aspirations involved.

Second-Guessing the Customer

The consumers have made their choices and determined the income of the shoe manufacturer, the movie star and the welder. Who is Professor X to arrogate to himself the privilege of overthrowing their decision? If he were not a potential dictator, he would not ask the government to interfere. He would try to persuade his fellow-citizens to increase their demand for the products of the welders and to reduce their demand for shoes and pictures.

The consumers are not prepared to pay for cotton prices which would render the marginal farms, i.e., those producing under the least favorable conditions, profitable. This is very unfortunate indeed for the farmers concerned; they must discontinue growing cotton and try to integrate themselves in another way into the whole of production.

But what shall we think of the statesman who interferes by compulsion in order to raise the price of cotton above the level it would reach on the free market? What the interventionist aims at is the substitution of police pressure for the choice of the consumers. All this talk: the state should do this or that, ultimately means: the police should force consumers to behave otherwise than they would behave spontaneously. In such proposals as: let *us* raise farm prices, let *us* raise wage rates, let *us* lower profits, let *us* curtail the salaries of executives, the *us* ultimately refers to the police. Yet, the authors of these projects protest that they are planning for freedom and industrial democracy.

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Privileged Labor Unions

In most non-socialist countries the labor unions are granted special rights. They are permitted to prevent non-members from working. They are allowed to call a strike and, when on strike, are virtually free to employ violence against all those who are prepared to continue working, viz., the strikebreakers. This system assigns an unlimited privilege to those engaged in vital branches of industry. Those workers whose strike cuts off the supply of water, light, food and other necessities are in a position to obtain all they want at the expense of the rest of the population. It is true that in the United States their unions have up to now exercised some moderation in taking advantage of this opportunity. Other American unions and the European unions have been less cautious. They are intent upon enforcing wage increases without bothering about the disaster inevitably resulting.

The interventionists are not shrewd enough to realize that labor union pressure and compulsion are absolutely incompatible with any system of social organization. The union problem has no reference whatsoever to the right of citizens to associate with one another in assemblies and associations; no democratic country denies its citizens this right. Neither does anybody dispute a man's right to stop work and to go on strike. The only question is whether or not the unions should be granted the privilege of resorting with impunity to violence. This privilege is no less incompatible with socialism than with capitalism. No social cooperation under the division of labor is possible when some people or unions of people are granted the right to prevent by violence and the threat of violence other people from working. When enforced by violence, a strike in vital branches of production or a general strike are tantamount to a revolutionary destruction of society.

• A government abdicates if it tolerates any non-governmental agency's use of violence. If the government forsakes its monopoly of coercion and compulsion, anarchic conditions result. If it were true that a democratic system of government is unfit to protect unconditionally every individual's right to work in defiance of the orders of a union, democracy would be doomed.

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A government abdicates if it tolerates any non-governmental agency's use of violence. If the government forsakes its monopoly of coercion and compulsion, anarchic conditions result. If it were true that a democratic system of government is unfit to protect unconditionally every individual's right to work in defiance of the orders of a union, democracy would be doomed. Then dictatorship would be the only means to preserve the division of labor and to avoid anarchy. What generated dictatorship in Russia and Germany was precisely the fact that the mentality of these nations made suppression of union violence unfeasible under democratic conditions. The dictators abolished strikes and thus broke the spine of labor unionism. There is no question of strikes in the Soviet empire.

Arbitration No Solution

It is illusory to believe that arbitration of labor disputes could bring the unions into the framework of the market economy and make their functioning compatible with the preservation of domestic peace. Judicial settlement of controversies is feasible if there is a set of rules available, according to which individual cases can be judged. But if such a code is valid and its provisions are applied to the determination of the height of wage rates, it is no longer the market which fixes them, but the code and those who legislate with regard to it. Then the government is supreme and no longer the consumers buying and selling on the market. If no such code exists, a standard according to which a controversy between employers and employees could be decided is lacking. It is vain to speak of "fair" wages in the absence of such a code. The notion of fairness is nonsensical if not related to an established standard. In practice, if the employers do not yield to the threats of the unions, arbitration is tantamount to the determination of wage rates by the government-appointed arbitrator. Peremptory authoritarian decision is substituted for the market price. The issue is always the same: the government *or* the market. There is no third solution. . . .

Men must choose between the market economy and socialism. The state can preserve the market economy in protecting life, health and private property against violent or fraudulent aggression; or it can itself control the conduct of all production activities. Some agency must determine what should be produced. If it is not the consumers by means of demand and supply on the market, it must be the government by compulsion. ◈

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LEONARD E. READ

MEN OF PREY

THE NEWEST and the most radical idea in political history has as its premise, "that all men . . . are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness." And then the idea's implementation: "*that to secure these rights, Governments are instituted among men. . . .*"

Government's purpose, in other words, is to curb the oppression, the plundering – exploitation in the sense of being preyed upon – of man by man. These actions which are abusive of man's rights are to be codified and then posted for all to see (the law); these are the forbidden acts which government must restrain, inhibit, penalize. Let government stand guard against oppression, that is, against violence and/or fraud, and otherwise leave all citizens free to act creatively as they please. This is the American ideal expressed in the Declaration of Independence.

But this inspired ideal has come a cropper. Oppression occurs on an enormous scale, and grows apace. And, contrary to most expectations, the greatest oppressor of all turns out to be the very agency designed to curb oppression! Among the reasons for society's protector turning predator is a faulty understanding of government's essential nature.

Woodrow Wilson put his finger on the nature of government: "The essential characteristic of all government, whatever its form, is authority. . . . *Government, in its last analysis, is organized force.*"[1] (Italics mine.)

Observe the distinction between

[1] See *The State: Elements of Historical and Practical Politics* by Woodrow Wilson. D. C. Heath & Co., 1898, revised ed., p. 572.

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you as an agent of government and you as a private citizen. As an agent of government you have the backing of a constabulary; you issue an edict and I obey or take the consequences. Remove the backing of the constabulary and you are restored to private citizenship; your edict has no more compulsive power than a chamber of commerce resolution. I do as I please. Clearly, the constabulary – organized police force – is government's distinctive feature.

True, individuals in government service are also private citizens; but, acting in the role of governors, they are set apart from the rest of us by having coercive force at their disposal. A governor is one of us – *plus armament*.

What is it that armament can and cannot do? It can restrain, inhibit, destroy, penalize. It cannot, by any stretch of the imagination, serve as a creative force. All creativity – no exception – is volitional in origin and is characterized by such spiritual phenomena as invention, discovery, intuition, insight.

What Should Be Restrained?

The above poses the next question: What, in good conscience, should be restrained, inhibited, destroyed, penalized? The answer, in a word, is the oppression of man by men of prey. The moral codes, extending over the millennia, long before Christianity, caution us not to kill and not to steal – that is, not to use violence or fraud. The *Bhagavad-Gita* is quite explicit: "Sin . . . is the assertion of the independence of the ego which seeks its own private gain at the expense of others." Organized police force – government – can be properly invoked to curb oppression; that is at once its potentiality and its limitation, morally and ethically speaking.

Another reason for society's protector turning predator is a generally accepted definition of *prey* too broad for government to cope with. The only part of the definition fit for governmental attention is ". . . an animal [human] hunted or killed for food [or whatever] by another animal [human] . . . to plunder; pillage; rob."

Perhaps one can feather his own nest at the expense of others without the use of fraud or violence. I leave that point to the intellectual hair-splitters. Further, I'll grant that oppression, however achieved, is not to be sanctioned, and that defenses should be erected against it in all of its nefarious forms. But there are defenses and defenses. My point is that organized police force – government – can effectively serve as a defense only against that brand of oppression

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which is founded on fraud and violence; that when government force is used for any other purpose, then government itself will become an oppressor. For instance, armament cannot put down stupidity or cupidity or avarice or laziness or conjured-up fears or covetousness or evil thoughts. Yet, more and more we turn to the police force – fruitlessly – as a substitute for our own alertness, moral rectitude, and wisdom; thus we make of government the grand oppressor – collectivized men of prey!

Robbery, pillage, embezzlement, plunder, marauding, misrepresentation, violence or the threat thereof – whether to keep another from accepting a job one has vacated or from a market one has pre-empted – are instances of *aggressive* force. This type of force, at least in our present state of understanding, can be met only by *defensive* force – the principled role of government.

But the only defense against ignorance is wisdom, not authority, not police force. Government is limited in what it can appropriately do by its nature. Physical force can only counter physical force. For example, a great deal of what we think of as "preying upon" is possible only because so many people are gullible. The shell-game artists, who formerly infested the midways of county and state fairs, were attracted there by an abundance of yokels or suckers. The existence of a con man presupposes a sufficient number of people who can be conned, that is, people bent on something for nothing and so lacking in skepticism that they can be "taken to the cleaners." Shell games need not be outlawed, but will disappear as soon as people awaken to the obvious chicanery involved.

Yes, the reason why so many people can be conned is that they are gullible. The only defense against gullibility is to come awake. And precisely the same defense — enlightenment – must apply to conjured-up fears of oppression, the kind that turns our hoped-for protector – government – into a predator. Of the numerous examples that might be used, let's pick one at random: the minimum wage law.

Take the Minimum Wage Law

Time and again I hear it said, "Why, if we didn't have a minimum wage law, workers would be exploited!" Such statements have their origin in fear and ignorance – fear of imagined evils, and ignorance of how the market, if free, tends to give every man his due. In the market, each person is rewarded by his peers according to their assessment of the

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value of his services to them. This is truly the "just price" for his labor.

The very persons, in and out of government, who advocate a minimum wage law are themselves guilty of the "dreadful" practice they fear in others. Their fear is that some employers, if not legally restrained, will hire workers at as low a wage as possible. And they will, indeed! But observe that these fearful ones do precisely the same: *they themselves shop around for bargain prices.*

No housewife – not even a union official's wife – will pay 70 cents for the same quality eggs that she can buy next door for 60 cents. She will no more indulge herself in such economic nonsense than the maker of cans will pay an above-market price for sheet steel. What are eggs or sheet steel but the products of human energy! What matters whether one's wage is paid in dollars per hour or as a price for the thing one produces? No difference, whatsoever! When the housewife buys her groceries or shoes or hats or whatever at the bargain counter she is, in the final analysis, paying the lowest possible price for labor. When she fears that some employer will do what she does day in and day out, and when she advocates a minimum wage law to keep others from doing likewise, she displays not only an ungrounded fear but an ignorance of economic abc's.

Whoever advocates the minimum wage law not only makes an oppressor of government but of himself as well. If this seems contrary to fact, it is only because we are accustomed to think of the oppressor – he who preys upon – as one who harms others strictly for his own advantage. Clearly, many of those who advocate minimum wage laws get nothing in return for their advocacy. But the fact that an advocate gets no loot for himself from the oppression he promotes in no way diminishes the oppressive force of the minimum wage law or absolves the advocate.

Who Gets Hurt?

Who is oppressed by a minimum wage law? The number, of course, is determined by how high the rate is.[2] But it is the multitude of marginal workers who prefer working for less than the minimum to not working at all, plus another multitude of marginal producers who prefer to hire be-

[2] Were the minimum wage law set at 10 cents an hour, probably there would be no robbery, no oppression, no disturbance of the market; if at $1.25, as presently, a considerable unemployment; if at $1.65, as proposed, a greater unemployment; and if, shall we say, at $15, then, perhaps everyone would be unemployed, for the economy would disintegrate; it could not function.

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low the minimum to not hiring at all. These people, all of them, are robbed of employment, and of all the gains to each that might have been.[3]

Conceding that no gain accrues to most advocates of a minimum wage law, how can its advocacy be classified as oppression? The answer would be easy were our thought of oppression or preying upon not limited to the forcible transfer from the robbed to the robber of material things such as cash, or an auto, or whatever. But, in this instance, the forcible transfer is, initially, not of goods but of a right. *The right to earn one's own living is a precious possession.* This is forcibly taken from people and turned over to government. What was once a person's economic right to make his own way now becomes the right of government to make his way for him. He is removed from the market, featured by self-responsibility and self-determination, and put at the disposal of the political apparatus. In a word, the minimum wage law is an oppressive abuse of human rights and it is brought about by organized police force.

Clearly, most advocates of the minimum wage law do not gain any rights over the persons who fall below the minimum because the advocates are not a part of the political apparatus. But, they are accessories to the immoral act, and primarily because (1) they fear that others will not act more magnanimously than they do, and (2) because they have no understanding of how the free market constantly exerts its forces in the direction of economic upgrading for all.

From Protection to Predation

However, the minimum wage law, like strikes and all other interference with the market, finally gets into the cash drawer. Employers do not pay wages beyond a worker's worth to them. Thus, those workers who cannot produce and earn that minimum wage are disemployed – legally and compulsively thrown out of work. The right to look after themselves has been taken away and given to the government, so the government must provide their living. But, having nothing of its own, how can government do this? Simple: government forcibly takes cash from those remaining on the work force, and from accumulated capital, and uses the cash to finance such make-work projects as Federal urban renewal, or to provide unemployment insurance, or any

[3] I use the term, unemployment, in its broadest sense: the employer employs employees, as all agree, but the employee should remember that he employs an employer.

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one of countless devices.[4] It is in this manner that government, designed as our agency of defense, becomes the great oppressor. And partly because so many persons include in their definition of "preying upon" the common and ethical practice of shopping around for bargain prices. It is self-evident that there is no fraud or violence in a willing exchange of your cash for my labor, regardless of how little your cash or how relatively inefficient my labor.

The minimum wage law has been used only to illustrate how government is turned from protector to predator, how the agency for minimizing oppression has itself become the great oppressor. And the big question is: What defense do we have against our erstwhile defender, now one of the greatest and most powerful oppressors ever known? Certainly, our defense cannot be organized force, for this oppressor has a monopoly of that. Whether we like it or can see any hope in it or not, only one avenue remains open to us: enlightenment, understanding, overcoming our naiveté, coming awake. Is not this oppression pretty much of our own making? And isn't it possible that our applied intelligence, eventually, might correct these mistakes we have made?

Steps Toward Correction

An awakening to the nature of organized police force is step number one. We shall never know where force should not be employed unless we are sharply aware of its limitations. And the only problem is to figure out what can and cannot be accomplished with a billy club. Were this widely understood, our oppressor would wilt away in the face of the resulting skepticism. Yet, given our present state of understanding, even this would leave most people with the feeling of a hollow victory. With the All-Promising dethroned, to what do we look now? The Myth has vanished; who or what is to perform our miracles? An empty promise is better than no promise; all appears to be void!

It takes a second step to fill that void: *an awareness of the potentialities of individual liberty* — personal insight and understanding of the wonder-working miracle of cooperation via the free market process. This is much more difficult than understanding what a billy club can and cannot do. The fact that nearly everyone pro-

[4] See *Encyclopedia of U. S. Government Benefits*, 1,000 pages and listing over 10,000 so-called benefits. Obtainable from Doubleday Book Shop, 724 Fifth Ave. at 57th St., Customer Service, New York, N.Y. Reg. Ed., $7.75; De Luxe Executive Ed., $9.95.

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claims for liberty – authoritarians and interventionists by the millions – suggests that those who have not experienced this insight are oblivious of their nonexperience. And what can one who is aware of liberty's potentialities do about inducing a similar insight in another who doesn't know he hasn't experienced it?

Liberation

I asked of an inquiring spirit, "How long have you been interested in this nonoppressive philosophy?" She replied, "I have now been *liberated* for six months!" What brought on this "liberation," this insight? It was quite by chance, a skillful explanation by a friend concerning self-responsibility. Immediately, there was a freeing of the spirit of inquiry, an intelligent curiosity, a state of "wanting-to-know-it-ness." Parenthetically, no person is as much as educable on the free market, private property, limited government philosophy until his "liberation." And we know, from years of observation, that there is no master key to inducing such insight in another; the aforementioned self-responsibility explanation might not trigger more than one in a thousand. Thus, it is plain that what you or I can do to afford others an enhanced grasp of liberty and its enormous, unbelievable potentialities is limited to how extensive a repertoire of explanations we can encase in our own intellectual portfolio. If one explanation has no triggering effect on an unliberated person, it is possible that one of several hundred other explanations will.

Yet, this limitation on what we can accomplish with others may be a blessing in disguise. It has a profound message for those of us who have a glimmering of light:

Wake up! Come even more alive to the meaning of individual liberty; it is one of the great challenges this moment in human evolution presents. Meet the challenge by knowing more of liberty's promise, or face the consequences. Bear in mind that scarcely anyone – even you – *is very far out of the slumber stage. And, for this reason, do not be taken in by the cliché, "We are only talking to ourselves." Search for the "liberated"; they are to be found among "ourselves." If you can discover who they are, you can learn from them and, hopefully, they may learn from you. There is no other way to put down men of prey.*

That's how the message comes through to me; it doesn't flatter my ego but it makes sense. ◈

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PUNCH Decries "No Compromise"

Hear no Compromise. See no Compromise. Speak no Compromise.

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THE FREEMAN Asks,

"WHY Compromise?"

THE SEAMEN'S STRIKE in England was disastrously prolonged, suggests *Punch*, because of an unbending, uncompromising attitude by all parties to the controversy.

The American Machinists' Strike which grounded five airlines was disastrously prolonged, in many minds, for the same reason.

What goes on here? It seems that justice can be served only as everybody bends to the whims and desires of those who hold power. To what a low estate has justice descended: *what's right is the outcome of bending to ambitions for power!*

Who likes to compromise? Employees are as averse to backing down as are employers. Yet, there is no other recourse than compromise in managed or socialistic economies – as in England and the U. S. A. When coercive powers rule the economy, adjustments of the numerous powers must be ceded by the warring factions. With failure to compromise, the economy comes to a halt. Further, compromised or dictated adjustments are no more than temporary expedients, for no one has the knowledge or the ability to accurately predict the future.

No one likes to compromise, nor should anyone be expected to do so. Be done with the planned economy and its inevitable compromises and failures. Give no more coercive power to a labor union than to a chamber of commerce. Free the market! Let government protect all willing exchange and inhibit all unwilling exchange – and not indulge in the forbidden exchange itself!

In the free market, humiliating compromise gives way to a gratifying freedom of choice by everyone, be he employee or employer, consumer or producer. If one supplier's price for a can of beans or his system of management doesn't suit, you have the freedom to shop around. And, if he doesn't like your bid for beans or your services on your terms, he has the freedom to look around.

Why compromise when we could be free to choose? ◈

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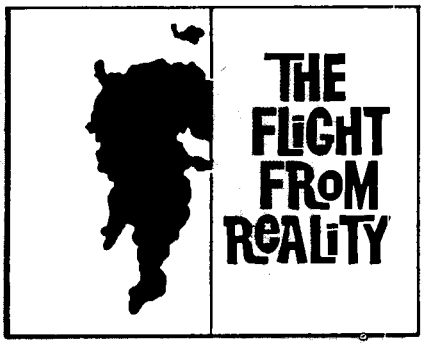

25. *Political Experimentation:* THE FOUR-YEAR PLANS

CLARENCE B. CARSON

I stand for the square deal. But when I say that I am for the square deal, I mean not merely that I stand for fair play under the present rules of the game, but that I stand for having those rules changed so as to work for a more substantial equality. . . .

THEODORE ROOSEVELT, 1910

And the day is at hand when it shall be realized on this consecrated soil, – a New Freedom, – a Liberty widened and deepened to match the broadened life of man in modern America. . . .

WOODROW WILSON, 1912

I pledge you, I pledge myself, to a new deal for the American people.

FRANKLIN D. ROOSEVELT, 1932

I hope for cooperation from farmers, from labor, and from business. Every segment of our population and every individual has a right to expect from our Government a fair deal.

HARRY TRUMAN, 1949

. . . So that, although the United States is an old country – at least its Government is old as governments now go today – nevertheless I thought we were moving into a new period, and the new frontier phrase expressed that hope.

JOHN F. KENNEDY, 1961

Building the Great Society will require a major effort on the part of every Federal agency in two directions: – First, formulating imaginative new ideas and programs; and – Second, carrying out hard-hitting, tough-minded reforms in existing programs.

LYNDON B. JOHNSON, 1964

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THE FUNDAMENTAL SHIFTS, changes, and direction of American government in the twentieth century have not been generally clearly outlined in historical accounts. The shift of the office of President from primary concern with execution of the laws to legislative innovation, the yielding up of legislative initiative by Congress, the subtle intellectual impetus to shift the American respect for the Constitution to adulation of the decisions (or at least acceptance of them) of the Supreme Court, the change of government from protector of rights to granter of privileges, have not been much emphasized by those charged with keeping the record straight. Superficial continuities have been allowed to obscure fundamental changes.

Of course, historians have noted the appearance of the Square Deal, New Nationalism, New Freedom, New Deal(s), Fair Deal, New Frontier, and Great Society. These names have often been used as convenient pegs from which to hang the assorted information and developments associated with presidential administrations. But the phenomenon itself — and what it may signify that a line of Presidents should get up a program, name it, attempt to embody it in legislation, and have it associated with them — has not been much attended to. There is in these things a new form of presidential activity, something that had not occurred in the nineteenth century. As a form, its appearance symbolizes the taking over of leadership in the Federal government by Presidents; but much more than this is involved.

No one, to my knowledge, has pointed to the analogy between the Square Deal, New Freedom, New Deal(s), Fair Deal, New Frontier, and Great Society on the one hand and the five-year plans of the Soviet Union on the other. Yet, there is an analogy that warrants examination, and the reference to the American programs as four- (or eight-) year plans is used to call attention to it. Such an examination will be useful in revealing the character of much that has been happening in America.

Different in All Details

There are many differences of detail between the Soviet five-year plans and the American four- (or eight-) year plans. The five-year plans are not coterminous with some electoral period. They are not identified with the whole administration of some Soviet premier. The leaders of the Soviet Union are openly committed to the achievement of socialism, those of the United States are not. Moreover, the Communists

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avow the revolutionary character of their way to socialism, and Americans have adopted no such way. The five-year plans are broad and comprehensive blueprints for social and economic reconstruction. Joseph Stalin said of the first five-year plan, begun in 1928:

> The fundamental task of the Five-Year Plan was, in converting the U.S.S.R. into an industrial country, fully to eliminate the capitalist elements, to widen the front of Socialist forms of economy, and to create the economic base for the abolition of classes in the U.S.S.R., for the construction of Socialist society....
>
> The fundamental task of the Five-Year Plan was to transfer small and scattered agriculture to the lines of large-scale collective farming, so as to ensure the economic base for Socialism in the rural districts and thus to eliminate the possibility of the restoration of capitalism in the U.S.S.R.[1]

By comparison with such boldness, the American four-year plans appear timid and pale. Moreover, the American four-year plans began before the Russian ones, though the point is of no importance as to any fundamental similarities. There are many other differences, but let them all be summed up by this observation: In detail, the Soviet plans differ in every respect from American ones.

The Same in Essence

But analogy deals with essences, not with differences of detail. There is an essential difference between the Soviet way to socialism and the American one. It has been alluded to above. The Russian Communists have pursued a direct revolutionary approach to socialism. American meliorists have pursued an indirect evolutionary approach to socialism. Communists have proceeded by destroying the old order as completely as they could and erecting a new one in its stead. Meliorists have attempted to operate within the framework of the old order, to keep as much of its superficies and forms as possible, and to turn the received instruments of power to the task of gradual social and economic reconstruction. The five-year plans are Soviet programs in the revolutionary road to socialism; the four-year plans are American programs in the gradualist route to socialism. They are both instruments of national planning by central authority; they employ a quite different assortment of paraphernalia; they differ as to methods; they have the same goal in view.

The four-year plans are really

[1] Richard Powers, ed., *Readings in European Civilization since 1500* (Boston: Houghton Mifflin, 1961), pp. 632-33.

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devices for using the Presidency for social reconstruction. The kind of planning which will move a country toward the goal of socialism must be centrally directed. Policy making, legislating, and execution must be coordinated. Congress can pass laws, but it cannot execute them. Moreover, left to their own devices the members of Congress are not apt to thrust the country in any consistent direction. Power is dispersed among the many members. They represent a great diversity of interests throughout the country. Legislation that originates in Congress is usually subjected to numerous compromises before it is enacted, compromises that turn it to ends not originally conceived or that vitiate its impact. The very division of Congress into two houses makes it virtually impossible for any leadership that arises in one of the houses to have any influence or control over the other. The Presidency is the only office established by the Constitution that could provide such central direction. The four-year plans are means for giving Presidents apparent electoral authorization for taking over in legislative innovation.

Presidents did not concoct such programs in the nineteenth century. They usually were satisfied to restrict their endeavors to the more modest activities of administering the laws. Presidents did sometimes emerge as strong leaders, but this leadership was either exercised in war and foreign affairs, where the President has great constitutional authority, or in the form of a restraining hand upon Congress. Excepting for Lincoln, the man who stood out as the most vigorous leader in the nineteenth century was Andrew Jackson. He summed up his policy in this way: "The Federal Constitution must be obeyed, state rights preserved, our national debt must be paid, direct taxes and loans avoided, and the Federal Union preserved. These are the objects I have in view, and regardless of all consequences, will carry them into effect."[2] Presidents did, of course, sometimes press for some innovation and some particular line of legislation in the nineteenth century, but none of them advanced any four-year plans.

Theodore Roosevelt

The twentieth century was hardly under way, however, before a man came to power who would give shape and form to the new method. The four-year plan does

[2] Quoted in Samuel E. Morison and Henry S. Commager, *The Growth of the American Republic*, I (New York: Oxford University Press, 1942, 3rd ed.), 472.

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not appear to have come by way of any advance calculation. Theodore Roosevelt forged its outlines during nearly eight years in the Presidency. But Roosevelt did not come to the Presidency, initially, on his own. Lore has it that "Boss" Tom Platt got him nominated to the Vice-Presidency in 1900 to get him out of New York.[3] President McKinley was assassinated in 1901, however, and Roosevelt succeeded to the Presidency. The phrase, "square deal," was used by Roosevelt in the campaign of 1904 to describe his actions in the coal strike of 1902. He wanted both labor and capital to get a square deal, he said.[4] The phrase caught on and has since been used by historians as a vague label for Roosevelt's administration.

The phrase, "square deal," did not fall into a historical vacuum, nor was it uttered by a nonentity. The stage had been set by the development of ideas for the phrase to connote and evoke a particular vision. If the view had been accepted that Americans were generally getting a square deal, the phrase could hardly have meant anything more than that in a particular instance the President had sought to see that justice was done. Once it was done in this case, there would have been no occasion for the phrase to have any continued vitality. But it was uttered at a time when a great clamor was arising against conditions as they were, and the cry was for changes that would bring about social justice.

Time for a "Square Deal"

The Progressive Movement was underway. Back of it lay more than a quarter-century of writing and agitation by social theorists, reformers, utopians, and social reconstructers. These ideas and visions were moving from the periphery of American society, where they had been uttered by men and women outside the pale of respectability, toward the center where they would be taken up by more respectable and restrained spokesmen.

Muckrakers, novelists, social analysts, professed socialists, and others were presenting a most unpleasant picture of America. Things were not as they should be, they said. Great concentrations of wealth threatened the Republic with rule by a plutocracy. The influence of John D. Rockefeller, Marcus A. Hanna, and J. P. Morgan, among others, resulted in the use of political power to strange ends. At any rate, economic "power" was outmatching

[3] George E. Mowry, *The Era of Theodore Roosevelt—1900-1912* (New York: Harper, 1958), pp. 108-09.

[4] *Ibid.*, p. 139.

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and overawing political power, so the story went. A beef trust gouged consumers with high prices and fed them unclean meat. City governments were corrupt, the cities themselves gorged with immigrants from a swelling tide living in slums, and alcohol addiction and prostitution growing apace.

Behind all this criticism of externals lay a call for fundamental social reconstruction. Social gospelers were preaching the coming of the Kingdom, progressive educationists working for the transformation of the school, and assorted intellectuals delineating the transmuted shape of things to come. Talk of a square deal in this intellectual setting evoked visions of a crusade to remake America; the seeds of reform contained in a simple phrase fell upon fertile ground.

A Man of Action

The phrase picked up meaning and gained currency, too, from the vitality and zeal of the man who uttered it. Theodore Roosevelt was a man of action. Before coming to the Presidency, he had engaged in a great variety of activities. By turn, he was state legislator, member of the Civil Service Commission, head of a police board, Assistant Secretary of the Navy, governor of New York, rancher, historian, biographer, Rough Rider, and huntsman. As President, he was soon in the thick of all manner of affairs, domestic and foreign: arbitrating a labor dispute, trust-busting, settling international disputes, intervening in Caribbean countries, and conserving natural resources. Roosevelt's conception of the role of the Presidency was a lofty and extensive one. "He believed that, acting in the public interest, he could do whatever was not expressly prohibited by the Constitution or the laws."[5] His views of the duties of the office were comprehensive:

> The President did not confine himself to political matters. He saw nothing incongruous in using his great prestige to urge the reform of English spelling, or to pillory the "nature fakers" who wrote stories humanizing animals. He delivered exhortations on the necessity for women in the upper classes to bear more children and for everyone to live strenuously according to his creed of "Muscular Christianity."[6]

Along with being a man of action he was also a superb publicist. He had that quality known as charisma, an attractiveness and charm which helped him to sur-

[5] Dumas Malone and Basil Rauch, *Empire for Liberty*, II (New York: Appleton-Century-Crofts, 1960), 217.

[6] *Ibid.*, p. 218.

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round his actions with an aura of rightness—even righteousness, for he was a moralist. The place of his administration in history needed a unique phrase to identify it. That it was the Square Deal may have been an accident, but the times and the man united in such a way as to make it virtually necessary.

. . . and a Reformer

Theodore Roosevelt was a reformer, a meliorist. He was the first man to occupy the Presidency who could be so identified. Some historians question how deeply he was committed to reform, or, at any rate, to social transformation. Perhaps he was only an opportunist, they say, and in this they are echoing the sentiments of some of his contemporaries. He has even been called a conservative.[7] This latter claim stems, in part, from the fact that he steered a course between calling for reform and making complimentary remarks about businessmen.[8] Whatever the motives may have been behind his straddling of the fence on occasion, they served the practical political object of making reform respectable by dissociating it from out-and-out radicalism.

At any rate, Theodore Roosevelt was a reformer. Of that, there should be no doubt. He had been a reformer, of sorts, as governor of New York. He had no sooner succeeded to the Presidency before this vein began to be exposed at that level. Roosevelt pressed to extend the powers of the Interstate Commerce Commission, had his attorney general begin a rigorous enforcement of the Sherman Antitrust Act, and in general began to adopt a reformist tone. After his election to the Presidency in 1904, when he could hold the office in his own right, he became more strident in his reformism. As one historian says:

> . . . His message to Congress in December, 1904, was significantly without most of the equivocations of the past. Over half the document was given over to proposals for new economic and social legislation.[9]

He called for the Federal government to pass an employer's liability act for its employees and those of contractors employed by the government. There were requests for such things as requir-

[7] See, for example, Daniel Aaron, *Men of Good Hope* (New York: Oxford University Press, 1951), pp. 246-52.

[8] There is also a tendency among "liberal" historians to classify meliorist politicians generally as conservatives, presumably because they do not press for violent revolution. Also, these historians have created, or perpetuated, a myth that if reforms had not been made, a revolution would have occurred.

[9] Mowry, *op. cit.*, p. 197.

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ing the use of safety devices on railroads, regulation of hours of labor of railroad workers, giving the Interstate Commerce Commission power to establish rail rates, establishing a Bureau of Corporations to license interstate business, the instituting of numerous reforms in the District of Columbia, and so forth. Some of these were made into law, and other reforms were instigated during his second administration.

By 1908, most of the ingredients of the four-year plan had been exemplified by Roosevelt. It remained now only for them to be used by others and made into a regular way of doing things. In 1912, the four-year plan as a campaign device was taken up by two candidates: Theodore Roosevelt and Woodrow Wilson. They called their plans the New Nationalism and the New Freedom. Significantly, these were alternative plans to the revolutionary proposals of the Socialist party, led by Eugene Debs. The Socialists had been gaining a following rapidly in recent elections. The four-year plan began its career of draining away the appeal from those who called themselves socialists.

Main Features of the Plans

Before recounting the story of the four-year plans, however, it will be useful to describe their main features. First of all, it is worth noting that they were taken up by the Democrats and have, since the time of Theodore Roosevelt, been exclusively employed by that party. There was a considerable contingent of reformers in the Republican party between the Civil War and World War I. In the early twentieth century, there was a lively meliorist wing of the party, called the Progressives. But Theodore Roosevelt drew many of these away in 1912 when he ran on the Bull Moose ticket. Since that time, meliorists have never dominated the Republican party, if they ever did. By contrast, the Democratic party had stuck fairly close to its Jefferson-Jackson heritage in the nineteenth century. It began its turn toward meliorism with the campaign of William Jennings Bryan in 1896. Woodrow Wilson and Franklin D. Roosevelt fixed it on this path in the twentieth century. Much of the impulse for the gradualist movement toward socialism has come from the Democratic party, and the particular infusions of energy toward this end have come from a succession of four-year plans.

Several features of the four-year plan can be described by showing its relation to the political party. A political party may be the lengthened shadow of a man, of Thomas Jefferson or of Abra-

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ham Lincoln, for instance. At its inception, a political party may even be the political instrument of an individual, as the Jeffersonian Republican party was for its founder. But political parties quickly have become institutions themselves in our history. They are organizations, having continuing existence (beyond the life or time of those who founded them), are devices for winning elections at various levels, have a widespread membership which participates in the choice of candidates, and are labels with which a succession of politicians can identify and be identified. In an important sense, political parties are impersonal and nonideological. A great variety of individuals find political shelter within their folds. Issues come and go, but parties continue as they shift from this position to that.

Bid for Presidential Power

By contrast, a four-year plan is not the *lengthened* shadow of a man; it is the *shadow* cast by a particular man who has come to the Presidency. It is the personal instrument of a President. Political parties may be said to be democratic, or at least federal, in character. Their widespread membership plays a part in determining their stand on issues. Platforms are drawn by committees. A Senator or Representative may, so far as his district goes, have as much to say about what the party stands for as does the President.

With four-year plans, it is not so. They are centristic and autocratic. They are devices which can be and have been used to bridge the gap, politically, of the separation of powers. Through a four-year plan, a President can identify the whole governmental program with himself. He can make the other branches of the government more or less adjuncts to his administration. To the extent that a President can bring off the *coup* that is implicit in the four-year plan, he can centralize power and use the whole government as if it were an extension of himself. That concentrated power which is necessary to governmentally directed social transformation is made available by the four-year plan.

Four-year plans appear, also, to have subsumed much of the role which third parties played in the meliorist movement at its outset. No new major political party has emerged in America since 1860. It would have been logical for a socialist party, by whatever name, to have come to majority status in the United States in the twentieth century, in view of the course of developments, as the Labour party did in England. The original impetus to socialism came

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from third parties in America in the late nineteenth and early twentieth centuries, from the Greenback-Labor party, Populist party, and Bull Moose (or Progressive) party. But since the 1920's, third parties have either been ephemeral or have had little appeal.

Two things happened. Such socialism as appealed to any considerable portion of the electorate was advanced by one or both of the major parties. And the impulse for a new surge toward socialization was embodied in the four-year plans. Third parties with a penchant for socialism had their issues taken away from them as soon as the issues attained popularity and were much more attractively packaged by the regular organizations and presidential candidates for them.

Appeals to Americanism

The names given to the four-year plans are interesting and revealing in themselves. Rhetorically, they evoke American values and even American experience. Three of them – Square Deal, New Deal, and Fair Deal – call up an image of sporting behavior and appear to derive from card-playing terminology. Perhaps the references to games of chance are unintended – though the pragmatic stance is that all human action is a kind of chance taking, and the proponents of these programs are often called pragmatists. But the appeals to fair play are surely intentional. Americans are much addicted to sports and, in that connection, are committed to the virtue of fair play. (It was the Beards, Charles and Mary, I think, who observed that the one thing Americans would not tolerate in the twentieth century was crooked officials in their athletic contests.)

The New Freedom called up one of the basic values for Americans, for they have understood that one of the distinctive features of the American system has been the extent of freedom it provided. The New Frontier evoked memories of an earlier American experience. The only phrase that appears not to have any American context is the Great Society. Perhaps the utopian vision is now sufficiently a part of the mental baggage of Americans that it is politically feasible to appeal to it directly.

At any rate, those terms which do rely on American values for their appeal place them in a new framework. The call was for a *new* freedom, a *new* deal, and a *new* frontier, for a *square* deal and a *fair* deal. The phrases take established values and use them as the basis for the building of a new order. The battle cries of socialist rhetoric – class struggle, vanguard of the elite, the rise of

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the masses, the dictatorship of the proletariat – are foreign and repulsive to the American ear. By contrast, the rhetoric of the four-year plans is familiar, nonradical in sound, and brings to mind pleasing associations. The territory into which Fabian methods take us is strange, but the markers along the way are familiar.

Programs for Translating Ideas into Political Action

Finally, the four-year plans are means for translating meliorist ideology into political action. They are devices for linking ideas (or visions) to power. The connection is made by a single man, the President of the United States. His personal historian has said of John F. Kennedy that "he was intensely committed to a vision of America and the world, and committed with equal intensity to the use of reason and power to achieve that vision." He desired "to bring the world of power and the world of ideas together in alliance...."[10] If so, his outlook and aims were perfectly suited to the role of being President by the requirements of the four-year plan.

Another way of saying the above is that the four-year plans have been the creations of intellectuals under the sway of ideologies. This accounts for the increasing role played by intellectuals in twentieth century governmental undertakings. A President may be both an intellectual and a man of action. Theodore Roosevelt was, and just as he may be credited with founding the four-year plan so may he be described as the prototype for the kind of man it ideally requires. Theodore Roosevelt was probably more the man of action than the intellectual, though he had ideas enough, while Woodrow Wilson was more the intellectual than the man of action. Both of them, however, combined both traits in sufficient degree to translate ideology into action with only a minimum of help from specialists so far as the formulation of programs was concerned. Their successors in the line of four-year planning were not so adequately equipped. The tendency from Franklin D. Roosevelt on has been for Presidents to gather about them a corps of intellectuals – a brain trust – to provide the ideas and render them into programs.[11]

[10] Arthur M. Schlesinger, Jr., *A Thousand Days* (Boston: Houghton Mifflin, 1965), pp. 108-09.

[11] The prototype for the "brain trust" may have been provided by Andrew Jackson who had an assortment of budding intellectuals in his "Kitchen Cabinet." There was an important difference, however, for his advisers were liberals of the nineteenth century variety who did not go in much for government intervention.

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Men Behind Presidents

There were premonitions of things to come, however, in the planning of the first Roosevelt and Wilson. One writer holds that Brooks Adams was the formulator of the basic ideas which Roosevelt advanced. "Had Roosevelt followed his counsels," he says, "(as he sometimes did, for Roosevelt instinctively agreed with Adams on some issues even though he prudently rejected Adam's [sic] suggestions when the times called for compromise), he might have become an even greater and perhaps more sinister figure."[12] There has been considerable debate among historians as to the extent of the influence of Herbert Croly's *Promise of American Life* upon Roosevelt's New Nationalism idea.[13] Be that as it may, Roosevelt was undoubtedly influenced by the intellectual currents of his day. His programs were his, however, not those of some coterie of intellectuals.

Wilson was, if anything, more the intellectual than Roosevelt. Despite, or perhaps because of, this, he appears to have relied more extensively upon intellectuals than did Roosevelt. The man closest to Wilson was Colonel Edward M. House. He was most influential upon Wilson. One writer says, "Nearly all accounts agree that Colonel House dominated the decisions on appointments. Wilson frankly didn't want to be bothered."[14] Colonel House's credentials as an intellectual may not be particularly impressive, but they are sufficient to show that he was under the sway of a vision that was the fruit of ideas.

Before he rose to the eminence of presidential adviser, he wrote and caused to be published a utopian novel, *Philip Dru, Administrator*. It is about a man who establishes a dictatorship in America and brings about sweeping reforms. Among these reforms were a graduated income tax, compulsory incorporation act, flexible currency system, an old age pension and labor insurance, a cooperative marketing system, Federal employment bureau, and so forth.

As one account of this utopian novel observes: "This fantasy could be laughed off as the curious dream of Colonel House were it not that so many of these reforms strikingly resemble what the Wilson, and later the New Deal, administrations either accomplished

[12] Aaron, *op. cit.*, p. 252.

[13] For contrasting assessments, see Eric F. Goldman, *Rendezvous with Destiny* (New York: Vintage Books, 1956), p. 159, and Charles Forcey, *The Crossroads of Liberalism* (New York: Oxford University Press, 1961), pp. 127-30.

[14] Horace Coon, *Triumph of the Eggheads* (New York: Random House, 1955), p. 87.

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or proposed."[15] The ideas are not original, but this advocate of them had the ear of a President. Louis D. Brandeis was another intellectual who had a great deal of influence on Wilson.[16] There were others, such as George L. Record, George Creel, and Bernard Baruch.

The Brain Trust of F.D.R.

But the practice of assembling a host of intellectuals around the President to provide the ideas and programs to translate four-year plans into action was really established by Franklin D. Roosevelt. Harry Hopkins played Colonel House to Roosevelt, and Felix Frankfurter was his Brandeis. But below these in the hierarchy of influence came a horde of others: Averell Harriman, Francis Biddle, George Peek, Henry Wallace, Samuel Rosenman, Harry Dexter White, Robert E. Sherwood, and so on. Of those who came, a historian has said that "the common bond which held them together . . . was that they were at home in the world of ideas. They were accustomed to analysis and dialectic. . . . They were . . . generalists, capable of bringing logic to bear on any social problem."[17] In short, they were intellectuals with visions of a transformed America and ideas about how to bring it about.

Each administration since has had its complement of intellectuals serving as ghost writers, special assistants, economic advisers, board members, and members of the middling rank of division heads within established departments. The assembling of intellectuals in Washington reached a new peak during the Kennedy Administration, when the President bade fair to take a goodly portion of the prestigious men from some major universities. Among the more famous gathered were Theodore Sorensen, McGeorge Bundy, Arthur Schlesinger, Jr., Walt W. Rostow, David Bell, and Walter Heller.[18] Truman, Eisenhower, and Johnson were less at home with university men, but they, too, had or have their intellectuals.

These intellectuals are the American equivalent, in socialist terminology, of the "vanguard of the elite." They have moved into the centers of power by providing the ideas and programs of meliorism. They bring ideology into the political market place, help to make

[15] *Ibid.*, p. 86.

[16] See *ibid.*, pp. 14-15, 90; Charles A. Madison, *Leaders and Liberals in the Twentieth Century* (New York: Frederick Ungar, 1961), pp. 200-01.

[17] Arthur M. Schlesinger, Jr., *The Coming of the New Deal* (Boston: Houghton Mifflin, 1958), p. 18.

[18] Lester Tanzer, ed., *The Kennedy Circle* (Washington: Luce, 1961), *passim*.

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it attractive, and thrust political action in the direction implicit in their assumptions. The fateful connection between utopian visions, the new reality, the new creativity, and meliorist economics on the one hand and political action on the other is made by the intellectuals in the four-year plans.

This connection needs to be demonstrated, however, by an examination of the four-year plans. Such an examination will show both the connection between ideology and action and that there is a direction to these plans, that each one of them moves the United States farther and farther along the road to socialism. An account of this development will follow next. ◈

The next, and concluding, article of this series will pertain to "The Pen and the Sword."

Majority Rule

THERE IS NO MAXIM in my opinion which is more liable to be misapplied, and which therefore more needs elucidation than the current one that the interest of the majority is the political standard of right and wrong. Taking the word "interest" as synonymous with "ultimate happiness," in which sense it is qualified with every necessary moral ingredient, the proposition is no doubt true. But taking it in the popular sense, as referring to immediate augmentation of property and wealth nothing can be more false. In the latter sense it would be the interest of the majority in every community to despoil & enslave the minority of individuals; and in a federal community to make a similar sacrifice of the minority of the component States. In fact it is only re-establishing under another name and a more specious form, force as the measure of right. . . .

JAMES MADISON, from a letter of October 5, 1786, to James Monroe.

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Canute and the counting of noses

Willard M. Fox

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AS FREQUENTLY TOLD, the story of how King Canute tried to sweep back the rising tide and got soaked for his pains makes him appear at best not quite bright and at worst an utter fool. The man who gave Denmark its first national coinage and first written legal code and England a code based on established Saxon law was a strong and able ruler of two realms; and he was endowed with a keen and clear understanding of the limitations of human power, even that of absolute monarchs. His attempted sweeping back of the sea was his dramatic demonstration that government cannot do everything its subjects may want done.

In the advanced stages of the transformation of the United States from a representative federal republic of limited power to a centralized democracy in which individuals and the several states count for little, Canute's wisdom is largely forgotten. Citizens and officeholders alike behave as though the counting of noses were the highest wisdom, and the Will of the Majority in no way distinguishable from the Voice of God. The proposition is absurd. There is no possible way for those elected to know the real views and motives of the majority that elected them.

Mr. Fox is a market research executive now residing in Costa Rica.

There is the mail from constituents, of course; but only those persons who are more or less articulate and who hold pronounced views on a subject under active political consideration will take the time and trouble to write elected or appointed officials. There is no persuasive reason for believing that the division of letters from these people accurately reflects the division of opinion among the silent population.

Polls Untrustworthy

Public opinion polls also are untrustworthy guides, not so much because of the design and drawing of samples, but primarily because of weaknesses in the questionnaire and secondarily in the behavior of interviewers and respondents.

When respondents are asked about a question of policy, the survey method becomes useless. Put yourself in the position of a respondent who knows nothing of economics, confronted by an interviewer who puts to him such a hypothetical question as this:

The United States balance of payments is "unfavorable" and there is a net export of gold. Among the remedies that have been or may be suggested are the following: (1) raise the rediscount rate; (2) impose an "interest equalization" tax on purchasers of foreign securities; (3) reduce the amount of duty-free mer-

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chandise returning tourists may bring into the United States (or prohibit duty-free imports entirely); (4) prohibit, restrict, or discourage direct foreign investment by United States based firms and their foreign subsidiaries; (5) impose import restrictions (quotas, tariffs, etc.) on foreign goods that can be produced within the United States and its possessions; (6) other actions you consider desirable?"

Just how would you answer? Just how much confidence would you place in the answers of 3,000 or any other reasonable number of respondents who happened to fall into either a probability or accidental survey sample?

While I have my own pet answers, the fact is that what I happen to think is not based on expert knowledge of the problem, and so my views are worthless. Multiplying my incompetent answer by 3,000 or any other number of like answers from respondents who as a group are as ignorant as I am may provide an impressive statistical report; but it is certainly not going to provide a sound basis for a policy.

What to Do, and How

Asking a sample of the electorate what it wants done is useless. The fact is that a count of noses cannot be used as a means of choosing appropriate courses of public action. I suspect that such a count of noses would establish that people favor wealth, comfort, health, security, and a color television set in every room and they oppose death, taxes, poverty, ill health, and the neighbor's radio turned on to full volume.

Involuntary poverty is never sought consciously, since it involves a contradiction in terms. Those who seek poverty voluntarily need not concern us. If they profess a faith that does not include vows of poverty, they can always choose an ill-paid career or take up beach-combing in the tropics. Voluntary poverty seekers get their compensating psychic income from their poverty and that makes up for other choices foregone.

Most people want to avoid poverty for themselves and do not want other people to suffer from hunger, disease, and other effects of poverty. So, they would agree that poverty should be abolished. The question that divides them is how to do it. This is a question not of ends but of means, assuming that the end is attainable. It is the business of economics to prescribe the ways that people can use to achieve that end. Politics can contribute nothing useful as a means to abolish poverty, except to prevent the private use of force and fraud.

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Endless Promises

Canute was astute enough to know this. Yet, modern political leaders throughout most of the world profess to believe that by politically directed measures, which they advocate and stand ready to implement, poverty can be eliminated. Whether they believe this or merely trade on the knowledge that most people want poverty abolished, they know that the way to get the highest count of noses for themselves is to promise such miracles, if elected.

They are persuading people that whatever is wished for can be had. In this, they have a lot going for them. People born around the turn of the century have witnessed the birth of the airplane, television, plastics, antibiotics, frozen foods, nuclear fission, orbiting satellites, the practical development of the automobile and radio, and countless other discoveries, inventions, and innovations. Some of these things were inspired and paid for by government and taxation. Private industry might have developed the jet plane and it might conceivably have put satellites into orbit, but probably not as soon as they were actually developed. It might eventually have developed nuclear power for peaceful purposes, but not the bomb.

Since government can claim the atomic bomb as its own creation and plausibly assert that it is the agent responsible for the development of jet planes, radar and other devices that aid air and sea navigation, and orbiting satellites, politicians can point to these things as tangible evidence that government (in their hands) can and does find solutions to complex technical problems.

Lack of Performance

They can also point out the undeniable fact that the American system of profit-and-loss can and does produce and market an enormous range of products and services. They go on to say quite correctly that the technology exists to permit turning out not only more of what is now being produced but also other new products that have been developed but not yet marketed. Moreover, they assert correctly that laboratories are constantly developing new products and refinements and improvements on existing products.

Hence, they conclude in a magnificent *non sequitur*, it is obvious that it is only the greed of stockholders for dividends and of entrepreneurs for profits that limits what is produced to what the market will absorb. Just let us count your noses in our favor, say they, and we shall produce abundance so that you may never know want or discomfort, from the delivery

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room of the government hospital to the packing of your ashes into an urn in the crematorium.

They completely ignore the fact of scarcity. In their eyes, or in their pretenses, all goods are as abundant and as readily available as the air. The only thing needed to supply them in unlimited quantities to everybody is money and management, both of which they'll gladly provide if given control of the apparatus of government! Where is the money to come from? That's easy. Taxes will provide part. The rest, the government can create by such devices as loading more and more government bonds into the commercial banks. If that process creates some inflation, why worry? Inflation breeds optimism which breeds spending, both by consumers and by industry, which breeds prosperity. Should any slackening occur, just a little more of the "hair of the dog" will cure matters. Thus, the road to never-ending prosperity is open and will remain so just as long as the count of noses comes out right.

Of course, this is nonsense. Goods are not free as air. They are scarce and they must be economized and used as wisely as entrepreneurial ingenuity permits to take care of people's most immediate needs and wants. Government has no magic costless way to transform "thin air" into silver which is increasingly in short supply. A bank deposit to the credit of the United States Treasury, created by a book entry in return for some Treasury bonds or notes, is not "capital." True, it can be spent with some maker of machine tools who will eventually deliver milling machines or automatic lathes or whatever, which are capital items. This, however, merely takes them away from some manufacturer who would have used them, had he been able to get them, to make something that consumers would have freely chosen to buy at the going market price.

Living as he did in the eleventh century when freebooting was a way of life, King Canute knew that government is not omnipotent. It has the power to rob Peter and give to Paul from time to time and as often and as long as Peter will consent to being robbed. However, it cannot create economic goods out of thin air, no matter how urgently people want it to do so.

King Canute knew that royal power has its limits. Those who believe that a government has power without limit and the ability to create something from nothing, as long as a count of noses favors it, are doomed to a sad discovery. ◈

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WILLIAM B. SMEETH

Visit with a Headmaster

TIMOTHY J. WHEELER

MY PRESET NOTIONS of how it would be did not even last long enough to accompany me into the school building. When I arrived at the Academy of Basic Education, on a sun-swept hilltop west of Milwaukee, I was greeted outdoors by Headmaster and founder William B. Smeeth. There was nobody nearby; judging from the mug of coffee in his hand, I supposed I had found him taking a break.

Not at all. This was, he explained after we had exchanged amenities, his composition class, Upper Form. Smeeth pointed to a thick grove that shades the rear area of the school: "One of my students." I could see a young man wedged comfortably in the fork of a tree, apparently staring at nothing in particular, doing nothing at all. One in a class of nine. The others were nowhere in sight.

Such as I knew of the Academy until that moment was public scuttlebutt, and it was all wrong. According to the legend, the Academy is a showpiece of the nineteenth century, featuring a reversion to instruction by rote. If this misconception is widespread, then there is need of some image-polishing: a boy, more or less unsupervised, preparing his composition in a treefork, is hardly the

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Mr. Wheeler is publisher of *Rally*, a new monthly journal of libertarian and conservative opinion geared for the young.

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object of mechanical teaching procedures; nor was he, I was to learn, producing the sort of undisciplined free expression that is urged by progressive doctrine. On one point, all observers agree: the Academy gets startlingly good results. Its students graduate one to three years ahead of their public school counterparts. Learning why was the reason for my visit.

Graduates Unprepared to Cope with Massed Propaganda

In 1948, the late Dorothy Sayers delivered a stunning address at Oxford, in which she expressed concern that –

– we let our young men and women go out unarmed in a day when armor was never so necessary. By teaching them all to read, we have left them at the mercy of the printed word. By the invention of the film and the radio, we have made certain that no aversion to reading shall secure them from the incessant battery of words, words, words. They do not know what the words mean; they do not know how to ward them off or blunt their edge or fling them back; they are a prey to words in their emotions instead of being the masters of them in their intellects. We who were scandalized in 1940 when men were sent to fight armored tanks with rifles, are not scandalized when young men and women are sent into the world to fight massed propaganda with a smattering of "subjects"; and when whole classes and whole nations become hypnotized by the arts of the spellbinder, we have the impudence to be astonished. We dole out lip-service to the importance of education – lip-service and, just occasionally, a little grant of money; we postpone the school leaving-age, and plan to build bigger and better schools; the teachers slave conscientiously in and out of school-hours; and yet, as I believe, all this devoted effort is largely frustrated, because we have lost the tools of learning, and in their absence can only make a botched and piecemeal job of it.

Her answer – which seems to me, if anything, more relevant to education in this country than in England – was to teach children how to learn before giving them subject material. She proposed restoration of the medieval Trivium, consisting of Grammar, Logic, and Rhetoric: the lost tools of learning. To what avail, she asked, do we teach an array of subjects if the student is not also instructed how to learn? How can he learn efficiently in school; how can he learn at all after graduation? These are cogent arguments, but they are only arguments, perhaps untranslatable into practice. Miss Sayers thought so: "It is in the highest degree improbable that the reforms I propose will ever be carried into effect."

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Learning How to Learn

She did not reckon on William Smeeth. The reforms are not only functioning at the Academy; they are proving their merit. From the first day there, Smeeth puts his students to learning how to learn. This is an abrupt departure in method from what one would find in other schools, and it must account for a good share of his success.

Even more at odds with public education, but more difficult to pin down on paper, is an attitude one finds at the Academy, that might best be described as a carefully nourished emphasis on the individual. This attitude soaks into the most humdrum facets of the daily routine; it is a working premise.

These elements seem to combine into a flawless pattern for success, yet I soon began to feel there was a missing intangible, something to glue them together. I found what I was looking for in the personality of the headmaster. William Smeeth is more than a teacher, more than an administrator: he is a man with a dream. It is a part of him no one will ever really know, although he does not always conceal it.

After I had been put at ease in the school and introduced to several of the teachers, I was turned loose to amble through the classrooms as I pleased. "The pupils are used to it," I was assured. "You won't disturb them."

The building is not exceptional. It resembles a large ranch house, and may indeed be a former dwelling converted to school use by the addition of a classroom wing. I didn't inquire. Classrooms seem to be almost randomly placed, but are conventionally and comfortably equipped.

One striking difference is the books – they are everywhere, in huge cases, sometimes in disorderly piles; always in great number, even in the Lower Forms.

The Academy does not use regular textbooks to any extent, but relies on a variety of reading and reference books for its purposes. Among the encyclopedias, and in the children's lockers, I was delighted to see such as *Pinocchio*, *The Hobbit*, and the *Chronicles of Narnia*. Older students, I learned, are awarded bonuses for outside reading.

The present student body of 129 is grouped into classes by ability rather than age. Since abilities vary in differing areas of study, there is something of a shuffle after each period. The students have no difficulty adjusting to this. It is theoretically possible for the youngest student in the school to be in the most advanced class, if his ability is up to it. In practice,

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it never works out that way. Ability groupings can be overruled when age differences are too pronounced, but the need seldom arises.

Basic Subjects, Rigorous Grading, Composition, and Recitation

The curriculum is unusual relative to public education, but not astonishing. For instance, the Lower Form is taught Phonetics, Spelling, Vocabulary, Penmanship, Reading, Grammar, Composition, Memorization, Arithmetic, Geography, and Music (a very fine application of the first portion of the Trivium, Grammar). Even Lower Form students are rigorously graded on all their work. Honor Rolls are prominently displayed, including one for students who have improved their work markedly. Later on, the student will receive English, Mathematics, Latin, French, Geography, and History.

Because Smeeth believes it invaluable for structuring the mind, composition is stressed from the beginning. Composition and recitation: students read what they have written before the class.

I saw no shyness about reciting. On the contrary, the students clamored for their chance. As I watched this time and again, I was struck by the contrast to a public school class, where a few of the children raise their hands every time while the rest remain doggedly silent. At the Academy all were eager to recite, to share with their classmates, I thought, what they were proud to have learned. It was striking. What sort of instruction could impart a love of knowledge in children so young? I wondered.

It occurred to me that we might be dealing with exceptional children. Plainly they were not "disadvantaged," as the educators say of the products of poor or broken homes. The tuition ruled that out. I asked Smeeth about it: were his students selected especially for their brains? No. In fact, many are remedial cases from public schools. They are perfectly normal children. "However," he added, "we have to get them early, before their educational experience elsewhere dulls their appetite for learning."

I could concede the point without reservation on seeing a ten-year-old, apparently a banana-a-day addict, carrying a notebook pasted solid with Chiquita-brand stickers: utterly normal. I watched the same young man give a most able presentation on the culture of India, which he had researched on his own at length. After his recitation, he was questioned closely by his classmates for details. It was an impressive performance all the way around.

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Entrance Qualifications

When could a child start? I wanted to know. Smeeth referred me to a qualification test. "The applicant will be expected to (1) recite the alphabet and recognize the separate printed letters; (2) write or print his name; (3) count and recognize the printed numbers up to at least 20; (4) state his full address (street number and name, city, state, and country); (5) recite at least two nursery rhymes; (6) divide small numbers of sticks or blocks into equal piles; and (7) listen to a story and answer questions." Fair enough. There is an explanatory afternote, to parents, worth mention: "Your child will begin to show interest in reading or numbers some time between age 5 and 6. When this miraculous change takes place in the young tot, he/she is usually ready to begin formal academics: reading, writing, and soon arithmetic. The requirements for entrance into the Academy simply recognize this fact in the youngster's growth pattern." "Miraculous change" – a pretty sentiment, and an indicator of the Academy's regard for the individual.

It is this regard, above all, that makes the school distinct; yet it is extremely difficult to articulate, much less explain in terms of program. In our several long talks, even Smeeth, who makes it work, struggled on occasion in translating his view of the individual for me.

Personal Attention

On the other hand, there is a part of its programmatic application that is readily explained – teachers. Smeeth handpicks them, and there is no want of applicants. Selection is a matter of judging character. In the four years of the Academy's existence, Smeeth has had plenty of experience at it, but still misses once in a while.

There is no advantage, he explains, for the applicant to present himself as savvy in the right school of economics or politics. Neither is it a demerit. The decisive point is that the applicant must share Smeeth's own intense regard for the individual. Given that attitude, the teacher will have little difficulty adjusting to the Academy's ways, and need learn little about its form of instruction. It is thereafter simply a matter of highly personal attention to every student.

One way the teaching applicant can disqualify himself is to ask how far he is supposed to take his students during the term – Smeeth will have explained the curriculum as a whole. To one who shares Smeeth's outlook, the answer is self-evident: "as far as the individual students will go." A teacher

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accustomed to giving his charges measured doses of subject material will not fit in.

Helping the Student "Plug Himself In"

Smeeth referred to a concept his teachers had developed, to elaborate. "They have a catch-phrase, getting someone to 'plug himself in,' coming from the idea that the individual's personality is something like a switchboard. The personality is complex, like the wiring in the cabinet, but you can see potentials, the plugs on the board. The teacher looks for ways to help the student realize his built-in potential. To make all the lights go on. To plug himself in."

"There is a similar concept they find useful," Smeeth continued, "'probing the periphery.' What they mean is the periphery bounding the student's capabilities, which they probe from every angle, trying to get him to broaden out, better himself, expand his periphery."

The similes seem laborious, but one gets the idea, and it is not an easy idea to put across. For the teachers, of course, these are convenient shorthand for the exchange of ideas on how to evoke the best from this or that student.

The right stress, "plugging *himself* in," makes it clearer to the outsider what Smeeth is driving at. The critical recognition by the Academy is that development is from within. The teacher is present as a coach, or (possibly) a goad; never as one to machine-gun information into the undifferentiated class-group. If such a distinction is permissible, I would say the Academy concentrates on learning instead of teaching. "The responsibility to learn lies entirely with the student. Our role is simply to help the individual become all he can be," Smeeth says.

"You know," he adds, "it is a joy to be present as the child unfolds into the adult."

The remark was a relatively rare interjection of self into the discussion. For all that, the visitor is almost immediately aware of Smeeth's intense personal involvement with his ideas, and his satisfaction at putting them to work every day. In a word, he is dedicated. It accents his comments; it shows in his face.

"By any chance" – by then I was sure I knew the answer to my question – "are you acquainted with Dorothy Sayers' essay, 'The Lost Tools of Learning'?" But to my surprise, he replied in the negative. Then, "Yes!" – "I didn't catch the name right for a moment." He shuffled through a stack of papers and produced a battered, dog-eared copy of it. Constant use had worn it to a frazzle.

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How It All Began

The school-day was drawing to a close as we talked, and there was time for few more questions. How did he come to found the Academy? It is a long story and not particularly pertinent here, except as it exemplifies any man who gives up an established career to start from scratch in a more idealistic field. Smeeth had been a highly successful businessman (he is proud that he runs the Academy in a business-like way), active in local politics, a member of the martini circuit, and all the et ceteras. The day came when he'd had his fill of it, and got out. He spent the next months seeking out superior ideas about education, although with no conscious idea of establishing a school – that developed naturally as a product of circumstances, and of his researches attracting the interest of the right people. I got the impression that not until he was engrossed in the Academy did he fully understand how right it was for him.

One incidential point. Could he tell me what his morning composition class had been assigned? "I told them," Smeeth replied, "to wander through the school's woods, select a secluded spot, and set up shop. 'Tune in your antenna; listen; focus on the sounds, wherever they lead you. Observe. Feel. Seek out the secret.' They were to describe what they heard, saw, felt, and smelled. And then they were to be aware of what thoughts came to them from the stimuli of their senses. Their results made me ashamed of my own college efforts."

It would be hard to get any farther than this from the public mythology that surrounds the Academy. I decided that on my next visit I would like to read what they had composed. ◈

We Cannot Escape Ourselves

RESOURCES of the spirit are like savings: They must be accumulated before they are needed. When they are needed, there is no substitute for them. Sooner or later, the individual faces the world alone, and that moment may overwhelm him if he has no resources within himself.

Distraction helps but little and betrays us when we least expect it. We can escape our physical environment and our neighbors, but we cannot escape ourselves. Everyone with any maturity of experience and self-knowledge knows that the loneliest moments are sometimes experienced in the midst of the greatest crowds and the most elaborate entertainments.

MARTEN TEN HOOR, *Education for Privacy*

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THOMAS HOLLIS, Esq.r F.R.S.
and equal Rule, the Government of Laws
and all protecting FREEDOM, whom alone
Restores the Value and Dignity of Man
FOR THESE HE LIV'D.

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MURRAY N. ROTHBARD

THE LONE individual is seldom given credit as a shaper and mover of great historical events; and this is particularly true when that individual is no famous statesman or military hero, nor leader of a mass movement, but simply a little-known person pursuing his own idea in his own way. Yet such a person, scarcely known in his day and totally forgotten by historians until the last few years, played an important role in one of the most significant events in modern history: the American Revolution. In all the welter of writing on the economic, social, political, and military factors in the Revolution, the role of this one obscure man, who directed no great events nor even wrote an influential book, had been completely forgotten; and yet now we know the great influence of this man and his simple idea in forming an event that has shaped all of our lives.

Thomas Hollis of Lincoln's Inn (1720-1774) was an independently wealthy Englishman of the eighteenth century, who came from a long line of leading merchants and Dissenters (non-Anglican Protestants). From early in life, Hollis developed two passions that were to guide and consume his life: books and individual liberty. The

Dr. Rothbard is a professor of economics at the Polytechnic Institute of Brooklyn. Among his works are the comprehensive two-volume treatise, *Man, Economy, and State* (1962) and *America's Great Depression* (1963).

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devotion to liberty was not surprising, for the Hollis family had long been steeped in the libertarian "Commonwealthman" or "Real Whig" tradition, a tradition derived from the English republicanism of the seventeenth century. What was unique about Thomas Hollis was his fusion of an intense devotion to books and to liberty, a fusion which led to his particular idea, to the cherished "Plan" to which he would dedicate his life. This was a plan to disseminate the writings of liberty (his affectionately named "liberty books") as widely as possible to kindle the spirit and the knowledge of liberty throughout the world.

His Own Kind of Public Service

Offered a chance, in his mid-thirties, to enter Parliament, Hollis refused to join what he considered the inevitable corruption of the political life; instead he decided to devote himself to his Plan to distribute libertarian books. Hollis thus came to spend the bulk of his life collecting and disseminating books and pamphlets and mementoes of liberty where he believed they would do the most good; when books could not be obtained, he financed the republishing of them himself. Every phase of their publication and distribution was shepherded through by Hollis as a labor of love. The typography, the condition of the prints, the luxurious binding and stamping, all were enhanced by his efforts. When sending a book as a gift to a library, person, or institution, which he usually did anonymously, Hollis took the trouble to inscribe the title page with mottoes and quotations appropriate to the book itself. Even "liberty coins," medals, and prints were collected by Hollis and sent to where they might best be used.

At first, Thomas Hollis sent the benefits of his largesse far and wide, throughout Europe and Asia as well as England and Scotland. But after the Stamp Act troubles in 1765, Hollis concentrated almost all his efforts on the American colonies, in which he and his family had always been interested. The family had often contributed to Harvard College, and now a fire at Harvard, coinciding with the eruption of the Stamp Act turmoil between America and England, gave Hollis the opportunity to send a host of libertarian books and pamphlets to restock the Harvard library, to which he sent no less than 1,300 books! For Hollis was particularly aware of the importance of diffusing the principles of liberty among youth, and especially among university students. Harvard was particularly recep-

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tive soil, for it was at the center of the growing revolutionary spirit in the American colonies, a spirit that could only be fueled by the writings of the English revolutionaries of the previous century and their spiritual heirs: men such as the martyred Algernon Sidney, John Locke, John Milton, John Toland, Henry Neville, John Trenchard, and Marchamont Nedham.

Hollis supplemented these activities by sparing no effort on behalf of the American colonists, including writing letters, public and private, wherever he could and reprinting and distributing writings favorable to the Americans. These works included tracts by American and English authors, as well as letters by Hollis' friends written to the London press, usually after being prodded into writing them by the indefatigable Hollis.

Samuel Johnson Pays Tribute

While far from famous in his own day, Thomas Hollis and his Plan were well known in English intellectual circles, where that crusty old Tory, Dr. Samuel Johnson, angrily pinned upon Hollis the responsibility for the American Revolution. Ironically, Johnson had at first brusquely dismissed the unprepossessing Hollis as a harmless "dull poor creature." Professor Caroline Robbins, who has done yeoman work in rescuing Hollis from total obscurity, eloquently concludes that Dr. Johnson's final assessment was not so very wrong:

> When his gifts to Americans of his "liberty books" and his propaganda for them are considered, Dr. Johnson's attribution to Hollis of some share at least in the American Revolution seems hardly exaggerated. . . .
>
> The famous plan of Thomas Hollis of Lincoln's Inn was itself a microcosm of the activities of all his liberal contemporaries. Those books, pictures, medals, and manuscripts he began to collect as a young man in the reign of George II represented to him and to his friends the great tradition of English liberty. He wanted to spread knowledge of this sacred canon around the world. As he saw in the policies of George III and his ministers a threat to all he most valued in his dear, native land, he concentrated his efforts to send overseas American friends as much of the heritage as could be confined in print and portrait. The New World would provide an asylum for the freedom his ancestors had fought for in the old.
>
> Hollis was right. In America the academic ideas of the Whigs of the British Isles were fruitful and found practical expression. Americans opposing English policies made claims which could be contradicted from past experience and practice, but in using the natural rights doctrines

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they were appealing to tradition still lively among their English sympathizers. . . .[1]

Influence in America

Thomas Hollis' most direct influence in America fell upon its most eminent libertarian minister, the Congregationalist divine from Boston, the Rev. Jonathan Mayhew. Having discovered Mayhew as a fervent champion of religious freedom and disseminated Mayhew's work in England, Hollis began an ardent lifelong friendship by correspondence with Mayhew which rapidly expanded the horizons of the New England minister from religious to political liberty. Mayhew's biographer testifies to the enormous influence wielded by Hollis' correspondence and by his periodic shipments of boxes filled with libertarian books, manuscripts, pamphlets, and assorted memorabilia.[2]

Thomas Hollis was not destined to see the fruit of his beloved Plan in the American Revolution. But though this lone man of learning was quickly forgotten, recent historians, in the wake of the researches of Caroline Robbins, have begun to recognize the tremendous influence upon the American Revolution, not only of Hollis himself, but of the entire English libertarian tradition which Hollis did so much to revive and disseminate. The recent works of Charles W. Akers, David L. Jacobson, and particularly Bernard Bailyn have demonstrated how much the birth of America owed to the English libertarian tradition carried on and transmitted by a few stalwart Commonwealthmen of the eighteenth century.[3] ◈

[1] Caroline Robbins, *The Eighteenth-Century Commonwealthman* (Cambridge, Mass.: Harvard University Press, 1959), pp. 268, 384-85. Miss Robbins first resurrected the role of Hollis in her "The Strenuous Whig, Thomas Hollis of Lincoln's Inn," *The William and Mary Quarterly* (July, 1950), pp. 406-53, and in her "Library of Liberty—Assembled for Harvard College by Thomas Hollis of Lincoln's Inn," *Harvard Library Bulletin* (Winter and Spring, 1951), pp. 5-23, 181-96.

[2] Charles W. Akers, *Called Unto Liberty: A Life of Jonathan Mayhew, 1720-1766* (Cambridge, Mass.: Harvard University Press, 1964), pp. 139-48 and *passim*.

[3] See Bernard Bailyn, "General Introduction," *Pamphlets of the American Revolution, Vol. I* (Cambridge, Mass.: Belknap Press of the Harvard University Press, 1965); David L. Jacobson, ed., *The English Libertarian Heritage* (Indianapolis: Bobbs-Merrill, 1966).

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FOR *Want* OF SOMETHING BETTER

ROBERT LEKACHMAN'S *The Age of Keynes* (Random House, $6) is aptly titled. As Professor Milton Friedman puts it, "We are all Keynesians now." At least we all have had to make adaptation to the realities of Keynesian political manipulation. But, since John Maynard Keynes said so many things at so many different times in his life (he ended by expressing his worries about the future of individualism to Professor Hayek), professions of loyalty to the Master don't really get us very far. Marx said in his old age that he was not a Marxist, and Keynes, if he had lived, might have followed suit.

Keynesianism, as Professor Lekachman demonstrates, began as a special response to the economic condition of Britain in the nineteen twenties and thirties. Those were the days of stagnation and the dole. As Keynes said, Winston Churchill, who held the uncongenial post of Chancellor of the Exchequer in the mid-twenties, had committed himself "to force down money wages and all money values, without any idea of how it was to be done." The attempt to return to the gold standard at a dollar valuation of the pound which made British costs and prices too high for competition in world markets was highly unrealistic. For better or worse, the strength of union organization in the twentieth century is such that no democratic government dares make the attempt to restore profitability by forcing money wages down. Thus, an inflationary bias is built into the system of twentieth century capitalism. Realist that he was, Keynes recognized the power of the labor unions. His proposals for "government investment" were pitched to building up "aggregate demand" to the point where capitalists could make money and still pay union wages to a lot more people. For want of something better, he offered a special formula for getting off a sticky wicket.

It is easy to understand how Keynesianism got its hold on the

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world in the nineteen thirties. The trouble is that it created a new breed of economists, of whom Professor Lekachman is at least tentatively one, that sees the whole future history of the human race as a continuation of the special situation that existed between the two world wars. This breed continues to think of government "investment" of one sort or another as the only sure guarantee of enough "aggregate demand" to keep the enterprise system going without falling prey to the socialists.

The "massive spending" theory seems to have been justified by what happened in World War II, when government purchases of war material put all our factories to work and wiped out the unemployment which had defied the most earnest cogitations of Franklin Roosevelt's brain trusters. But it did this by breaking the dollar in two. At the same time it destroyed the currencies and the economic plant of two big continents. When the war was over, a new "special situation" existed. As Will Clayton said, the "world was naked." It had to do business with and in U.S. fifty-cent dollars. And reconstruction had to be carried forward. Psychologically, the age of stagnation had come to an end.

What picked things up to create such phenomena as the "German miracle," the Japanese revival, and the long U.S. booms? If the play on words may be pardoned, we don't find the key in Keynes, who was hipped on the monetary aspects of economics. Schumpeter, who kept his eye on technological change, is a better guide to post-World War II history.

Pushers vs. Pullers

Economists seem to fall into two loose categories. There are the "pull" theoreticians who think that "aggregate demand" is a function of the money and credit supply. And there are the "push" theoreticians, beginning with the Say of Say's Law of Markets, who think that the creation of goods and services makes for an exchange situation that automatically builds up "aggregate demand." Whether one is a "pull" theoretician or a "push" advocate may very well be a matter of glandular endowment. The "pull" philosophy proceeds from a pessimistic view of the possibilities inherent in human ingenuity and human energy. The "push" view is inseparable from an optimistic trust in what inventive men are capable of doing.

During the thirties, I spent the first half of the decade reading books about the plight of the world. Though I am congenitally an opti-

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mist, I forced myself into the negative mold that was then all the rage in the intellectual circles that fed the New Deal. During the second half of the decade I worked for *Fortune* Magazine, doing corporation stories. The latter experience was worth far more than the earlier dalliance among the pessimists.

For what was happening in the thirties at the laboratory and factory level was proof to a neophyte's wondering eyes that the tides of economics move in response to the tinkerer, the laboratory man, the inventor, the ingenious rearranger, even more than they move in response to the fiscal and monetary priests. Economists should spend more time visiting factories! In the decade of the thirties the seeds were planted that led, after 1945, to the dazzling efflorescence of the synthetics market. The Du Pont company owed far more to professors of chemistry than to professors of economics.

The Keynesians, trying to raise aggregate farm income by acreage restrictions, thought they had the agricultural situation well in hand. But the new fertilizers and insecticides and genetic discoveries, coming out of the laboratories of the thirties, made a mock of restrictionism, and the modern farm revolution, which forced many an inefficient producer off the land, happened anyway. The jet plane came with the war, and is only now coming into its own commercially, to the point where it yields higher wages to machinists who have succeeded in flouting Keynesian wage-price guideposts. The TV market, held back by governmental busybodies in the thirties, finally got off dead center. And the whole world of electronics, pushed along by the war-born need for such things as radar, boomed along with TV.

So, is it Keynesian wisdom that has kept us going since 1945, or is it the older wisdom that puts its trust in the constant emergence of so-called "ladder industries"? The "pull" theoretician will take Professor Lekachman's word for it that Keynesian government servants have kept us prosperous. The "push" advocate will look back to older economists such as the forgotten Garet Garrett, or to Professor Schumpeter, or to the Austrians who think that if the money tinkerers desist, the inventors will have a better chance of getting their innovations to the buying public.

A Way with Words

Having posed my glandular bias against that of Professor Lekachman, it remains to be said that *The Age of Keynes* is a delight-

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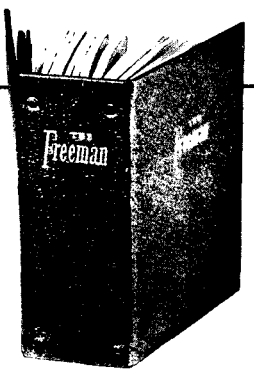
fully written book. Keynes himself was a literary man of high ability, and his way with words has rubbed off on many of his modern disciples. Indeed, the influence of the neo-Keynesians may be due more to their gift for phrases than their economic logic.

Professor Lekachman's history is mainly correct as to the facts he uses to support his theory. But there are some telling omissions. It is at least slightly unhistorical to give Professor Alvin Hansen the credit – or the obloquy – for evolving the theory of permanent American secular stagnation; Rexford Tugwell came before him, and, what is most important, it was Tugwell who sold the idea of the overbuilt economy to President Roosevelt. Again, it is a little strange to find Keynesians in general, and Professor Walter Heller in particular, reaping all the high praise for the 1965 income tax cut. Conservatives have been shouting for lo, these many years that high taxes are a drag on productivity. When Keynesians return to common sense, it should be treated as a conversion, not a dazzling discovery. ◈



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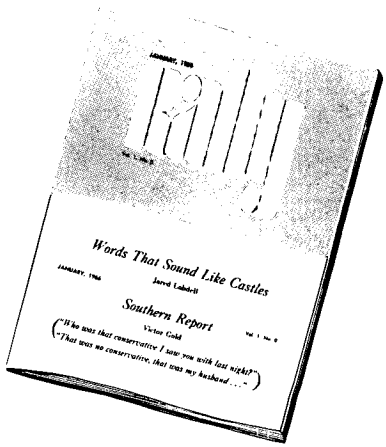

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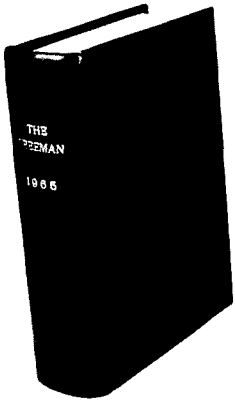

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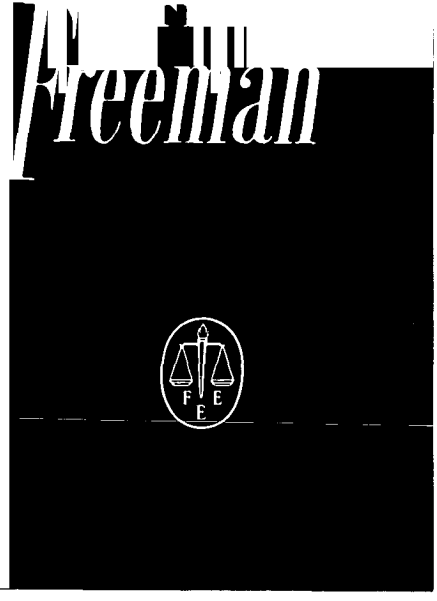

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